PROSPECTUS DATED 21 MARCH 2012
(REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE ON 21 MARCH 2012)

cordlife
one chance, one choice.

CORDLIFE GROUP LIMITED

(Company Registration No.: 200102883E)
(Incorporated in the Republic of Singapore on 2 May 2001)

The Cord Blood and Tissue Banking Service Provider

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

We have made an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in, and for quotation of, all the ordinary shares (the "**Shares**") in the capital of Cordlife Group Limited (the "**Company**") already issued, our New Shares (as defined herein) and new Shares to be issued upon the exercise of the CBB Option (as defined herein). Such permission will be granted when we have been admitted to the Official List of the SGX-ST. The dealing in and quotation of our Shares will be in Singapore Dollars.

Acceptance of applications will be conditional upon, among others, permission being granted to deal in, and for quotation of, all our existing issued Shares, our New Shares and new Shares to be issued upon the exercise of the CBB Option. If the completion of the Invitation does not occur because the SGX-ST's permission is not granted or for any other reasons, monies paid in respect of any application accepted will be returned to you, subject to applicable laws, at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claims against us, the Issue Manager and Co-Placement Agent (as defined herein), and the Underwriter and Co-Placement Agent (as defined herein).

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinion expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares or our New Shares.

A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**") on 7 March 2012 and 21 March 2012, respectively. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our New Shares being offered for investment.

No shares will be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

Investing in our Shares involves risks which are described in the section titled "RISK FACTORS" of this Prospectus. Potential investors in our Company are advised to read the section titled "RISK FACTORS" and the rest of this Prospectus carefully and to seek professional advice if in doubt.

Investors who are members of the Central Provident Fund ("**CPF**") in Singapore may, subject to the applicable CPF rules and regulations, use their CPF Investible Savings (the "**CPF Funds**") to subscribe for our Offer Shares.

Invitation in respect of 60,000,000 New Shares comprising:

(1) 2,000,000 Offer Shares at the Invitation Price (as defined herein) of S$0.495 for each Offer Share by way of public offer (the "Public Offer"); and

(2) 58,000,000 Placement Shares at the Invitation Price of S$0.495 for each Placement Share by way of placement (the "Placement", together with the Public Offer, the "Invitation"),

payable in full on application.

Issue Manager and Co-Placement Agent

PRIME[n] Partners

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
(Company Registration No.: 200207389D)
(Incorporated in the Republic of Singapore)

Underwriter and Co-Placement Agent

UOB KayHian

UOB KAY HIAN PRIVATE LIMITED
(Company Registration No.: 197000447W)
(Incorporated in the Republic of Singapore)

BUSINESS OVERVIEW

Business Model Generates Stable Recurring Cash Flow

Dominant, Pioneering, Award-winning

Amongst the first private cord blood banks in Asia

Dominant market leader in Singapore in terms of market share^

Amongst the market leaders in Hong Kong in terms of market share^

Numerous awards

First private cord blood bank to release cord blood units for treatment of cerebral palsy in Singapore

One of the first in Singapore and amongst the first in Hong Kong to have released cord blood units for transplants and other therapeutic use

Amongst the first cord blood banks in Asia to be accredited by AABB (formerly known as the American Association of Blood Banks) and has remained accredited since 2005

Corporate Profile

- Incorporated on 2 May 2001
- On 30 June 2011, demerged from Cordlife Limited ("CBB"; previously known as Cygenics Limited), which is listed on the Australian Securities Exchange, and renamed Cordlife Group Limited ("Cordlife", together with its subsidiaries, known as "the Group")
- Rationale: To enhance shareholder value. By separating the developing businesses owned by CBB and its subsidiaries, which required continued cash investments from the developed businesses owned by our Group which were cash flow positive, shareholders would have the opportunity to directly participate in the developed businesses by directly holding our Shares
- Following the demerger, the Group's key markets include:
  - **Singapore**
    – Larger market share (around 62%^ market share in private cord blood banking market in 2010) of only two private cord blood banks
  - **Hong Kong**
    – Amongst the three market leaders (around 28%^ market share in private cord blood banking market in 2010) for private cord blood banks
  - **Guangdong province**
    – Presence in Guangdong province through a 10% indirect stake in the sole cord blood banking operator in Guangdong province – Guangzhou Tianhe Nuoya Biology Engineering Co., Ltd. ("Guangzhou Tianhe Nuoya")
  - Granted right of first refusal ("ROFR") to acquire CBB's businesses in Indonesia, India and the Philippines

^ According to the Market Research Report conducted by Deloitte & Touche Financial Advisory Services Limited ("DTFAS")

Two Core Businesses

CORD BLOOD BANKING

✓ Comprises collection at birth, processing, testing, cryopreservation and storage of processed cord blood units

UMBILICAL CORD TISSUE BANKING

✓ Comprises collection, processing, testing, cryopreservation and storage of the umbilical cord tissue

✓ Only available in Hong Kong

INVESTMENT HIGHLIGHTS

Market Leadership

- Amongst the first private cord blood banks in Asia
- Dominant market leader in Singapore (around 62%^ market share in private cord blood banking market in 2010) and amongst the leaders in Hong Kong (around 28%^ market share in private cord blood banking market in 2010)
- 10% indirect stake in the sole cord blood banking operator in Guangdong province – Guangzhou Tianhe Nuoya

Clinical Leadership

- One of the first in Singapore and amongst the first in Hong Kong to have released cord blood units for transplants and other therapeutic use
- First private cord blood bank to release cord blood units for treatment of cerebral palsy in Singapore

Quality Leadership

- Amongst the first cord blood banks in Asia to be accredited by AABB and has remained accredited since 2005
- Hong Kong facility accredited by AABB in 2011
- Hong Kong facility certified ISO:9001 since August 2007

Technology Leadership

- One of the first to adopt automated processing system, Sepax®, in Singapore and Hong Kong
- Constantly seeks to improve services through the use of technology

^ According to the Market Research Report conducted by DTFAS

Experienced and Dedicated Management Team

- Possesses in-depth knowledge of industry
- Management team brings a variety of expertise, with average seven years of experience in the cord blood banking industry

Established and Proven Track Record

- Larger of two private cord blood bank operators in Singapore in terms of market share^
- Currently stored in excess of 35,000 cord blood units in Singapore and Hong Kong
- Second largest private cord blood bank player in terms of market share in Hong Kong^

Established Brand and Marketing and Distribution Networks

- Collaborative relationships or arrangements with major private hospitals and clinics in Singapore such as Thomson Medical Pte Ltd, Parkway East Hospital and Raffles Hospital; and major private hospitals and clinics in Hong Kong, to raise awareness of the Group's services
- Collaborative agreement with China Cord Blood Corporation to raise awareness of Cordlife Hong Kong's cord blood banking services in the PRC and in particular, to expectant mothers who intend to deliver in Hong Kong
- In January 2012, began the process of establishing a branch office in Shenzhen, Guangzhou, to undertake marketing activities in Guangdong province

INDUSTRY PROSPECTS^

SINGAPORE

- Relatively constant birth rate of approximately 38,000 per year
- Penetration rate expected to rise to 38% by 2015 from 24% in 2010
- Number of private incremental cord blood storage units in Singapore is expected to increase at a CAGR[1] of around 9% from 2010 to 2015
- Pro-family initiatives by the government, such as the Baby Bonus Scheme[2], which entitles eligible parents to cash gifts and dollar-for-dollar saving accounts of which the latter can be used to pay for cord blood banking services

HONG KONG

- Relatively constant birth rate ranging between 43,000 and 49,000 per year
- Steady increase in the number of births, over the last several years, due to greater number of PRC expectant mothers seeking maternity services in Hong Kong
- Penetration rate expected to rise from 11.5% in 2010 to 20.6% in 2015
- Annual incremental storage units at private cord blood banks is expected to grow at a CAGR[1] of 10% over the next few years

CHINA

- 10% indirect stake in the sole cord blood banking operator in Guangdong province – Guangzhou Tianhe Nuoya
- A CAGR[1] forecast of 22% from 2010 to 2015 for new cord blood units stored
- Penetration rate expected to grow to 5% by 2015 from 2% in 2010 in provinces with cord blood banking operations

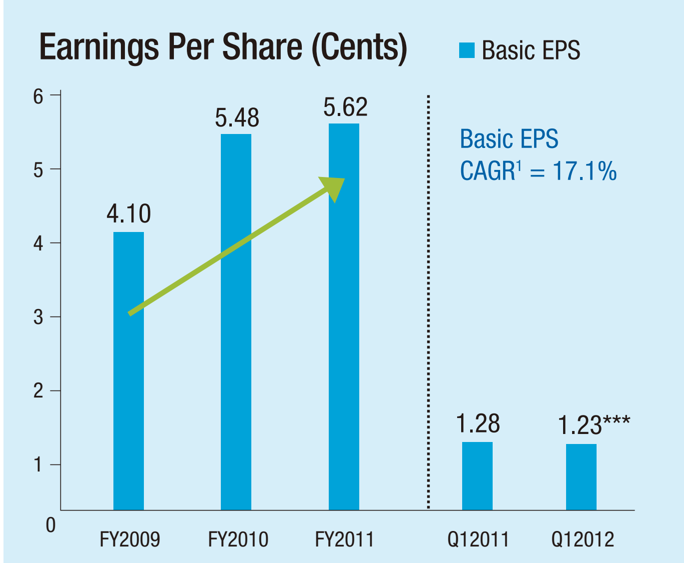
^ According to the Market Research Report conducted by DTFAS
1 CAGR refers to compound annual growth rate
2 Ministry of Community Development, Youth and Sports website

FINANCIAL HIGHLIGHTS AND PROPOSED DIVIDENDS

S$' mil	FY 2009	FY 2010	FY 2011	Q1* 2011	Q1* 2012
Total Revenue	22.6	28.2	25.7	6.2	7.3
North Asia	5.7	7.9	6.5	1.6	2.0
South Asia	16.9**	20.3	19.2	4.6	5.3
Profit attributable to Owners of the Company	6.2	8.3	8.5	1.9	1.9***
Gross Profit Margin (%)	72.6	72.8	71.1	70.2	69.2
Profit before Income Tax Margin (%)	34.1	35.3	38.7	38.9	29.6

Gross profit margin averaging 72.2% in the last three financial years

* For the three months ended September 30
** S$16.84 mil has been rounded up to S$16.9 mil so as to add up to total revenue
*** After taking into consideration IPO-related expenses amounting to S$0.3 mil



[1] CAGR refers to compound annual growth rate

DIVIDEND POLICY

To recommend and distribute dividends of at least 25% of FY2011 and FY2012 profits attributable to shareholders for FY2012 and FY2013

STRATEGIES AND FUTURE PLANS

- **Leverage on Company as the dominant market leader and an established brand in Singapore and Hong Kong**
  - Develop position further in existing markets
  - Increase capacity through new proposed headquarters and facility at Yishun A'Posh Bizhub
- **Capitalise on strategic investment in the PRC for growth in Hong Kong**
  - Marketing collaboration with China Cord Blood Corporation to gain access to PRC expectant mothers in Beijing, as well as Guangdong and Zhejiang provinces, who intend to deliver in Hong Kong
  - In January 2012, began the process of establishing a branch office in Shenzhen, Guangzhou, to undertake marketing activities in Guangdong province
- **Leverage on expanded clinical use to drive perceived utility of cord blood banking**
- **Diversify into secondary and complementary services**
  - Entered into, inter alia, co-operation agreement with Cordlife Stem Cell Technology Limited, giving the Group the rights to use certain technology and expertise with respect to umbilical cord tissue banking, thus allowing for the offering of umbilical cord tissue banking services
- **Growth through accretive acquisitions in selected markets**
  - Broaden service offering and expand geographical coverage in Asia through accretive acquisitions
  - Entered into ROFR to acquire relevant businesses in Indonesia, the Philippines and India
  - Entered into a subscription agreement with CS Cell Technologies Pte. Ltd. ("CSCT"), a wholly-owned subsidiary of CBB, to invest S$1.5 million in CSCT, which holds 85% of Cordlife Sciences India Pvt. Ltd. ("Cordlife India") for expansion of operations of CSCT and Cordlife India only

INDICATIVE TIMETABLE

22 March 2012	9.00 a.m.	Opening for the Public Offer
27 March 2012	12.00 noon	Closing for the Public Offer
29 March 2012	9.00 a.m.	First day trading on the SGX-ST

TABLE OF CONTENTS

TABLE OF CONTENTS

CORPORATE INFORMATION

DIRECTORS	:	Dr Ho Choon Hou (Chairman and Non-executive Director) Yee Pinh Jeremy (Executive Director and Chief Executive Officer) Jin Lu (Non-executive Director) Ho Sheng (Lead Independent Director) Dr Goh Jin Hian (Independent Director) Ng Tiak Soon (Independent Director)
COMPANY SECRETARIES	:	Low Siew Tian, ACIS Ang Siew Koon, ACIS
REGISTERED OFFICE	:	61 Science Park Road #05-16/18 The Galen Singapore Science Park II Singapore 117525
REGISTRATION NUMBER	:	200102883E
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Tricor Barbinder Share Registration Services 80 Robinson Road #02-00 Singapore 068898
ISSUE MANAGER AND CO-PLACEMENT AGENT	:	PrimePartners Corporate Finance Pte. Ltd. 20 Cecil Street #21-02 Equity Plaza Singapore 049705
UNDERWRITER AND CO-PLACEMENT AGENT	:	UOB Kay Hian Private Limited 8 Anthony Road #01-01 Singapore 229957
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young LLP Public Accountants and Certified Public Accountants One Raffles Quay North Tower, Level 18 Singapore 048583 Partner-in-charge: Mr Tan Swee Ho Certified Public Accountant
SOLICITORS TO THE COMPANY	:	WongPartnership LLP One George Street #20-01 Singapore 049145
LEGAL ADVISERS TO THE COMPANY ON HONG KONG LAW	:	Kennedys 11th Floor The Hong Kong Club Building 3A Chater Road Central Hong Kong

LEGAL ADVISERS TO THE COMPANY ON PRC LAW AND IN RESPECT OF GUANGZHOU TIANHE NUOYA	:	JunZeJun Law Offices 5–6/F South Tower Financial Street Center, A9 Financial Street Xicheng District, Beijing, PRC
LEGAL ADVISERS TO THE COMPANY IN RESPECT OF CORDLIFE SHANGHAI	:	BOSS & YOUNG Attorneys at Law 16th Floor, BEA Finance Tower 66 Hua Yuan Shi Qiao Road Shanghai 200120, PRC
LEGAL ADVISERS TO THE COMPANY ON THE LAWS OF THE BRITISH VIRGIN ISLANDS	:	Harneys Westwood & Riegels Craigmur Chambers P.O. Box 71 Road Town, Tortola British Virgin Islands
INDUSTRY RESEARCH CONSULTANT	:	Deloitte & Touche Financial Advisory Services Limited 10F, Bund Center 222 Yan An Road East Shanghai 200002, PRC
PRINCIPAL BANKER	:	DBS Bank Ltd. 6 Shenton Way DBS Building Tower One Singapore 068809
RECEIVING BANKER	:	The Bank of East Asia, Limited, Singapore Branch 60 Robinson Road BEA Building Singapore 068892

In this Prospectus and the accompanying Application Forms, and in relation to the Electronic Applications, the instructions appearing on the screens of ATMs of Participating Banks or the IB websites of the relevant Participating Banks, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

Group Companies

"Company"	:	Cordlife Group Limited
"Cordlife Hong Kong"	:	Cordlife (Hong Kong) Limited
"CLS Services"	:	CLS Services Pte. Ltd.
"Group"	:	Our Company and our subsidiaries
"Cordlife Shanghai"	:	Shanghai Cordlife Biomedical Research Co., Ltd. (上海康盛人生生物技术有限公司)

Other Companies and Organisations

"AABB"	:	An association involved in the field of transfusion medicine and cellular therapies, and formerly known as American Association of Blood Banks
"Authority"	:	The Monetary Authority of Singapore
"CBB"	:	Cordlife Limited
"CBB Bond Holder"	:	City Challenge Global Limited
"CBB Group"	:	Cordlife Limited and its subsidiaries
"CDP"	:	The Central Depository (Pte) Limited
"China Cord Blood"	:	China Cord Blood Corporation
"Cordlife Australia"	:	Cordlife (Australia) Pty Ltd, a subsidiary of CBB
"Cordlife India"	:	Cordlife Sciences India Pvt. Ltd., a subsidiary of CBB
"Cordlife International"	:	Cordlife International Pte. Ltd., a subsidiary of CBB
"Cordlife Services"	:	Cordlife Services (S) Pte. Ltd., a subsidiary of CBB
"Cordlife Stem Cell"	:	Cordlife Stem Cell Technology Limited, a wholly owned subsidiary of CBB
"CPF"	:	The Central Provident Fund
"CSCT"	:	CS Cell Technologies Pte. Ltd., a subsidiary of CBB
"DOH"	:	The local department of health located in the respective cities of the PRC
"DTFAS"	:	Deloitte & Touche Financial Advisory Services Limited

"Guangzhou Tianhe Nuoya"	:	Guangzhou Tianhe Nuoya Biology Engineering Co., Ltd. (广州市天河诺亚生物工程有限公司)
"Issue Manager and Co-Placement Agent"	:	PrimePartners Corporate Finance Pte. Ltd.
"Ministry of Manpower"	:	The Ministry of Manpower of Singapore
"MOH"	:	The Ministry of Health of Singapore
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Underwriter and Co-Placement Agent"	:	UOB Kay Hian Private Limited

General

"1Q"	:	Financial period ended or, as the case may be, ending 30 September
"Application Forms"	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Prospectus
"Application List"	:	The list of applications for subscription of the New Shares
"Associate"	:	(a) in relation to an entity, means:

(i) in a case where the entity is a substantial shareholder, controlling shareholder, substantial interest-holder or controlling interest-holder, its related corporation, related entity, associated company or associated entity; or

(ii) in any other case, (A) a director or an equivalent persons, (B) where the entity is a corporation, a controlling shareholder of the entity, (C) where the entity is not a corporation, a controlling interest-holder of the entity, (D) a subsidiary, a subsidiary entity, an associated company, or an associates entity, or (E) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be,

of the entity; and

(b) in relation to an individual, means:

(i) his immediate family;

		(ii) a trustee of any trust of which the individual or any member of the individual's immediate family is a beneficiary or, where the trust is a discretionary trust, a discretionary object, when the trustee acts in that capacity; or
		(iii) any corporation in which he and his immediate family (whether directly or indirectly) have interests in voting shares of an aggregate of not less than 30.0% of the total votes attached to all voting shares
"ATM"	:	Automated teller machines
"Audit Committee"	:	The audit committee of our Company as at the date of this Prospectus and from time to time constituted
"Board" or "Board of Directors"	:	The board of Directors of our Company
"Bond Deed"	:	The bond deed dated 14 May 2011 entered into between CBB, the CBB Bond Holder and our Company
"CAGR"	:	Compound annual growth rate
"CBB Option"	:	The one option held by the CBB Bond Holder, if exercised would be convertible into 21,800,000 Shares
"Companies Act" or "Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
"Controlling Shareholder"	:	A person who has an interest in our Shares of an aggregate of not less than 15% of the total votes attached to all our Shares, or in fact exercises control over our Company
"Co-operation Agreement"	:	The co-operation agreement dated 30 June 2011 entered into between CBB and our Company
"Cord Blood Banking Services"	:	The collection, processing, testing, cryopreservation and storage in our facilities for either 18 or 21 years, of processed cord blood units
"Cordlife Stem Cell Technology Co-operation Agreement"	:	The co-operation agreement dated 30 June 2011 between our Company and Cordlife Stem Cell
"Directors"	:	The directors of our Company
"Electronic Applications"	:	Applications for the Offer Shares made through an ATM of one of the relevant Participating Banks or the IB website of one of the relevant Participating Banks, subject to and on the terms and conditions of this Prospectus
"EPS"	:	Earnings per Share

"Existing ASX Shareholders"	:	Shareholders of CBB (save for Dr Ho Choon Hou, Mr Yee Pinh Jeremy, Ms Jin Lu, China Stem Cells (East) Company Limited, Jayhawk Private Equity Fund II L.P. and Wells Spring Pte Ltd) who received our Shares pursuant to the distribution *in specie* of all of our Shares by CBB on 30 June 2011 and who each individually hold less than 5.0% of our Shares
"Executive Director and Chief Executive Officer"	:	The executive director and chief executive officer of our Company
"Executive Officers"	:	The executive officers of our Group
"FY"	:	Financial year ended or, as the case may be, ending 30 June
"IB"	:	Internet Banking
"Independent Directors"	:	The independent Directors of our Company
"Invitation"	:	The Placement and Public Offer
"Invitation Price"	:	S$0.495 for each New Share
"Latest Practicable Date"	:	24 February 2012, being the latest practicable date prior to the lodgement of this Prospectus with the Authority
"Listing Manual"	:	The listing manual of the SGX-ST
"Management and Underwriting Agreement"	:	The management and underwriting agreement dated 21 March 2012 entered into among our Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent as described in the section titled "Plan of Distribution — The Public Offer" of this Prospectus
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"NAV"	:	Net asset value
"New Shares"	:	The 60,000,000 new Shares issued and offered by our Company, for which our Company invites applications to subscribe for pursuant to the Invitation, subject to and on the terms and conditions of this Prospectus
"NTA"	:	Net tangible assets
"Nominating Committee"	:	The nominating committee of our Company as at the date of this Prospectus and from time to time constituted
"Non-Executive Directors"	:	Non-executive Directors of our Company (including Independent Directors)
"Offer Shares"	:	2,000,000 New Shares which are the subject of the Public Offer

"Participating Banks"	:	DBS Bank Ltd. (including POSB) ("**DBS**"), Oversea-Chinese Banking Corporation Limited ("**OCBC**") and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (the "**UOB Group**")
"Periods Under Review"	:	The periods which comprise FY2009, FY2010, FY2011 and 1Q2012
"Placement"	:	The placement by the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent of the Placement Shares on behalf of our Company for subscription and at the Invitation Price, subject to and on the terms and conditions of this Prospectus
"Placement Agreement"	:	The placement agreement among our Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent dated 21 March 2012 as described in the section titled "Plan of Distribution — The Placement" of this Prospectus
"Placement Shares"	:	58,000,000 New Shares which are the subject of the Placement
"Poisons Act"	:	The Poisons Act, Chapter 234 of Singapore, as amended, supplemented or modified from time to time
"PRC" or "China"	:	People's Republic of China which, for the purposes of this Prospectus, excludes Hong Kong and Macau Special Administrative Regions of the PRC, and Taiwan
"Prospectus"	:	This prospectus dated 21 March 2012 issued by our Company in respect of this Invitation
"Public Offer"	:	The offering of Offer Shares to the public in Singapore, subject to and on the terms and conditions of this Prospectus
"Remuneration Committee"	:	The remuneration committee of our Company as at the date of this Prospectus and from time to time constituted
"Restructuring Exercise"	:	The restructuring exercise undertaken in connection with the Invitation as described in the section titled "General Information on our Group — Restructuring Exercise" of this Prospectus
"ROFR Agreement"	:	The right of first refusal agreement dated 30 June 2011 entered into between our Company and CBB
"Securities Account"	:	The securities account maintained by a depositor with CDP but does not include a securities sub-account
"Securities and Futures Act"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time

"Securities and Futures Regulations"	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended, supplemented or modified from time to time
"Service Agreement"	:	The service agreement entered into between our Company and our Executive Director and Chief Executive Officer as described in the section titled "Directors, Executive Officers and Staff — Service Agreement" of this Prospectus
"Shares"	:	Ordinary shares in the capital of our Company
"Shareholders"	:	Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
"Share Registrar"	:	Tricor Barbinder Share Registration Services
"Substantial Shareholder"	:	A person who holds directly or indirectly 5.0% or more of the total share capital in our Company
"Trademark Agreement"	:	The trademark licence agreement dated 30 June 2011 between our Company and CBB
"U.S." or "United States"	:	United States of America

Currencies, Units and Others

"%"	:	Per centum or percentage
"A$"	:	The lawful currency of Australia
"HK$"	:	The lawful currency of Hong Kong
"RMB"	:	The lawful currency of the PRC
"S$" and "cents"	:	The lawful currency of Singapore
"sq m"	:	Square metre
"US$"	:	The lawful currency of the United States of America

The expressions "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them, respectively in Section 130A of the Companies Act.

The terms "associated company", "associated entity", "controlling interest-holder", "controlling shareholder", "related corporation", "related entity", "subsidiary", "subsidiary entity" and "substantial interest-holder" shall have the same meanings ascribed to them, respectively in the Securities and Futures Regulations.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Prospectus, the Application Forms or the Electronics Applications to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act and the Securities and Futures Act or any statutory modification thereof and used in this Prospectus, the Application Forms or the Electronics Applications shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act or such statutory modification, as the case may be.

Any reference in this Prospectus and the Application Forms or the Electronics Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Prospectus, the Application Forms and the Electronics Applications shall be a reference to Singapore time, unless otherwise stated.

Any references to “we”, “our”, and “us” or other grammatical variations thereof in this Prospectus is a reference to our Company, our Group or any member of our Group, as the context requires.

Any discrepancies in the tables included in this Prospectus between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description (which would not be treated as being definitive of their meanings) of some of the technical terms and abbreviations used in this Prospectus. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms:

"cellular therapy"	:	The process of introducing new cells into a tissue in order to treat a disease
"cryopreservation"	:	Preservation of cells by subjecting them to very low temperatures
"epithelial stem cells"	:	Stem cells that generate epithelium tissues, one of the four basic types of human tissues
"freezing bag"	:	A small storage bag designed for storing cells in extremely low temperatures
"graft-versus-host disease"	:	A common complication of bone marrow transplantation in which functional immune cells in the transplanted marrow recognise the recipient to be "foreign" and launch an immunologic attack
"hematopoietic progenitor cells" or "haematopoieic stem cells"	:	Stem cells that generate blood cells; white blood cells; red blood cells; and platelets, which are usually found in the bone marrow, peripheral blood and umbilical cord blood
"vapour-phase liquid nitrogen storage system"	:	The method of long term stem cell cryopreservation by storing the cord blood in the vapour produced by liquid nitrogen in stainless steel vacuum insulated storage tanks at the temperature of below minus 150 degrees Celsius
"mesenchymal stem cells"	:	Multipotent stem cells that can differentiate into a variety of cell types, including bone cells, cartilage cells and fat cells
"peripheral blood"	:	The blood that circulates through the body
"progenitor cells"	:	Biological cells that are early descendants of stem cells which can differentiate to form one or more kinds of cells, but cannot divide and reproduce indefinitely
"Sepax®"	:	An automated cord blood processing technology which isolates the stem cells from the cord blood
"stem cells"	:	An undifferentiated cell whose daughter cells may differentiate into other cell types
"U.S. FDA"	:	U.S. Food and Drug Administration

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words or phrases. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects, and the future prospects of our industry are forward-looking statements. These forward-looking statements and other matters discussed in this Prospectus regarding matters that are not historical fact are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risk factors and uncertainties are discussed in more detail in this Prospectus, in particular, but not limited to, discussions in the section titled "Risk Factors".

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements. Neither we, the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent nor any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent disclaim any responsibility to update any of those forward-looking statements or to publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the Securities and Futures Act, if after the Prospectus is registered but before the close of the Invitation, we become aware of (a) a false or misleading statement or matter in the Prospectus; (b) an omission from the Prospectus of any information that should have been included in it under Sections 243 of the Securities and Futures Act; or (c) a new circumstance that has arisen since the Prospectus was lodged with the Authority and would have been required by Sections 243 of the Securities and Futures Act to be included in the Prospectus, if it had arisen before the Prospectus was lodged and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority.

DETAILS OF THE INVITATION

LISTING ON THE SGX-ST

An application has been made to the SGX-ST for permission to deal in and for quotation of all our Shares already issued, the New Shares and new Shares to be issued upon the exercise of the CBB Option. Such permission will be granted when our Company has been admitted to the Official List of the SGX-ST. Acceptance of applications will be conditional upon, among others, the SGX-ST granting permission to deal in, and for quotation of, all our existing issued Shares, the New Shares and new Shares to be issued upon the exercise of the CBB Option. Monies paid in respect of any application accepted will be returned to you, subject to applicable laws, without interest or any share of revenue or other benefit arising therefrom and at your own risk, if the said permission is not granted or for any other reason and you will not have any claims whatsoever against us, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent.

No Shares shall be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinion expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, all our existing issued Shares and the New Shares.

A copy of this Prospectus has been lodged with and registered by the Authority on 7 March 2012 and 21 March 2012, respectively. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the New Shares being offered or in respect of which an offer is made for investment.

This Prospectus has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Prospectus are fair and accurate in all material respects as at the date of this Prospectus and that there are no material facts the omission of which would make any statements in the Prospectus misleading and that this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group.

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Issue Manager and Co-Placement Agent or the Underwriter and Co-Placement Agent. Neither the delivery of this Prospectus and the Application Forms nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a change, in our affairs, condition or prospects, or all our existing issued Shares and the New Shares, or in the statements of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur and are material or are required to be disclosed by law, we will make an announcement of the same to the SGX-ST and the public and, if required, lodge a supplementary or replacement prospectus with the Authority pursuant to Section 241 of the Securities and Futures Act and other applicable provisions of the Securities and Futures Act and take immediate steps to comply with the requirements of the Securities and Futures Act. We will also comply with all other applicable requirements of the Securities and Futures Act and/or any other requirements of the Authority and/or the SGX-ST. All applicants should take note of any such announcements, supplementary or replacement prospectus and, upon the release of the same, shall be deemed to have notice of such changes. Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. Neither we, the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent, our Directors, the promoters, the experts nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Prospectus should be considered to be business, legal or tax advice. Investors should be aware that they may be required to bear the financial risk of an investment in our Shares (including the New Shares) for an indefinite period of time. Each prospective investor should consult his own professional or other advisers for business, financial, legal or tax advice regarding an investment in our Shares (including the New Shares).

This Prospectus has been prepared solely for the purpose of the Invitation and may not be relied upon by any other persons other than the applicants in connection with their application for the New Shares or for any other purpose. **This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, or solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.**

Our Company is subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure. In particular, if, after this document is lodged but before the close of the Invitation, we become aware of:

(a) a false or misleading statement or matter in this Prospectus;

(b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the Securities and Futures Act; or

(c) a new circumstance that has arisen since this Prospectus was lodged with the Authority which would have been required by Section 243 of the Securities and Futures Act to be included in this Prospectus if it had arisen before this Prospectus was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority pursuant to Section 241 of the Securities and Futures Act.

Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the New Shares and:

(a) where the New Shares have not been issued, our Company shall either:

    (i) within two Market Days from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus;

    (ii) within seven days from the date of lodgement of the supplementary or replacement prospectus, give the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or

(iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company shall within seven days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application to the applicants, without interest or any share of revenue or other benefit arising therefrom and at their own risk, and the applicants will not have any claim against our Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent; or

(b) where the New Shares have been issued, our Company shall either:

(i) within two Market Days from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus and provide the applicants with an option to return to our Company, those securities which they do not wish to retain title in and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus;

(ii) within seven days from the date of lodgement of the supplementary or replacement prospectus, give the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return the New Shares, which they do not wish to retain title in; or

(iii) deem the issue as void and refund the applicants' payments for the New Shares (without interest or any share of revenue or other benefits arising therefrom and at their own risk) within seven days from the date of lodgement of the supplementary or replacement prospectus

An applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, pay to the applicant all monies paid by the applicant on account of his application for those New Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against our Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the New Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those New Shares to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those New Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those New Shares shall be deemed to be void, and he will not have any claim against our Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent.

Under the Securities and Futures Act, the Authority may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no or no further Shares to which this document relates, be allotted, issued or sold. Such circumstances will include a situation where this document (a) contains a statement or matter, which in the opinion of the Authority is false or misleading, (b) omits any information that should be included in accordance with the Securities and Futures Act or (c) does not, in the opinion of the Authority, comply with the requirements of the Securities and Futures Act.

Where the Authority issues a Stop Order pursuant to Section 242 of the Securities and Futures Act, and:

(a) in the case where the New Shares have not been issued and/or sold to the applicants, the applications for the New Shares pursuant to the Invitation shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares without interest or any share of revenue or other benefit arising therefrom; or

(b) in the case where the New Shares have been issued and/or sold to the applicants and the issue and/or sale of the New Shares pursuant to the Invitation is required by the Securities and Futures Act to be deemed void, our Company shall, subject to compliance with Singapore laws and our Articles of Association, repurchase the New Shares and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the New Shares without interest or any share of revenue or other benefit arising therefrom.

Such monies paid in respect of the applicant's application will be returned to the applicant, in the case of applications for New Shares under the Public Offer, at the applicant's own risk, without interest or any share of revenue or other benefit arising therefrom, and the applicant will not have any claim against us, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent.

If we are required by applicable Singapore laws to cancel issued New Shares and repay application monies to applicants (including instances where a Stop Order is issued), subject to compliance with our Articles of Association, we will purchase the New Shares at the Invitation Price.

Copies of this Prospectus and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

PrimePartners Corporate Finance Pte. Ltd.
20 Cecil Street
#21-02 Equity Plaza
Singapore 049705

UOB Kay Hian Private Limited
8 Anthony Road
#01-01
Singapore 229957

and, where available, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

A copy of this Prospectus is also available on:

(a) the SGX-ST website: http://www.sgx.com; and

(b) the Authority's website: http://masnet.mas.gov.sg/opera/sdrprosp.nsf.

The Application List will open at 9.00 a.m. on 22 March 2012 and will remain open until 12.00 noon on 27 March 2012 or for such further period or periods as our Directors may, in consultation with the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent decide, subject to any limitation under all applicable laws PROVIDED ALWAYS THAT where a supplementary or replacement prospectus has been lodged with the Authority, the Application List shall be kept open for at least 14 days after the lodgement of the supplementary or replacement prospectus.

Details of the procedure for applications to subscribe for the New Shares are set out in Appendix C — "Terms, Conditions and Procedures for Application and Acceptance" to this Prospectus.

INDICATIVE TIMETABLE

An indicative timetable for the Invitation and trading in our Shares is set out for the reference of applicants:

Indicative time/date	Event
9.00 a.m. on 22 March 2012	Commencement of Invitation
12.00 noon on 27 March 2012	Close of Application List and closing date and time for the Invitation
28 March 2012	Balloting of applications, if necessary (in the event of over-subscription for the New Shares)
9.00 a.m. on 29 March 2012	Commence trading on a "ready" basis
3 April 2012	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be 27 March 2012, the date of admission of our Company to the Official List of the SGX-ST will be 29 March 2012, the shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 29 March 2012.

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a "ready" basis and the commencement date of such trading.

Investors should consult the SGX-ST's announcement on "ready" trading date on the Internet (at the SGX-ST internet website http://www.sgx.com) or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

(a) through an SGXNET announcement to be posted on the internet at the SGX-ST's internet website at http://www.sgx.com; and

(b) through a paid advertisement in a major Singapore English newspaper such as The Straits Times or The Business Times.

We will provide details of the results of the Public Offer (including the level of subscription for the New Shares and the basis of allocation of the New Shares pursuant to the Invitation), as soon as it is practicable after the closure of the Application List through the channels in (a) and (b) above.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the New Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allocation, due consideration will be given to the desirability of allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

Where an application is rejected, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk within 14 Market Days (or such shorter period as the SGX-ST may require) after the close of the

Invitation (provided that such refunds are made in accordance with the procedures set out in Appendix C — "Terms, Conditions and Procedures for Application and Acceptance" of this Prospectus).

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 Market Days after the close of the Invitation (provided that such refunds are made in accordance with the procedures set out in Appendix C — "Terms, Conditions and Procedures for Application and Acceptance" of this Prospectus).

Where the Invitation does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned within three Market Days after the Invitation is discontinued.

THE INVITATION

Invitation Size	:	Invitation in respect of 60,000,000 New Shares. The New Shares will upon issue and allotment, rank *pari passu* in all respects with our existing issued Shares.
Invitation Price	:	S$0.495 for each New Share.
The Public Offer	:	The Invitation comprises an invitation by our Company to the public in Singapore to subscribe for the 2,000,000 Offer Shares at the Invitation Price, subject to and on the terms and conditions of this Prospectus.
The Placement	:	The Placement comprises a placement of 58,000,000 Placement Shares, at the Invitation Price, subject to and on the terms and conditions of this Prospectus.
Purpose of the Invitation	:	Our Directors consider that the listing of our Company and the quotation of our Shares on the Main Board of the SGX-ST will enhance our public image locally and internationally and enable us to tap the capital markets to fund our business growth. The Invitation will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. In addition, the Invitation also enhances Shareholders' value as the shareholders of CBB who received our Shares pursuant to the distribution *in specie* of all our Shares by CBB on 30 June 2011 would be able to trade in our Shares as well as be entitled to dividends and distributions derived from the profits of a listed company.
Listing Status	:	Our Shares will be quoted in Singapore dollars on the SGX-ST, subject to admission of our Company to the Official List of the SGX-ST and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST and the Authority not issuing a Stop Order.
Risk Factors	:	Investing in our Shares involves risks which are described, in particular, but not limited to, in the section titled "Risk Factors" of this Prospectus.

PLAN OF DISTRIBUTION

The Invitation

The Invitation is for 60,000,000 New Shares offered in Singapore by way of the Public Offer and the Placement comprising 2,000,000 Offer Shares and 58,000,000 Placement Shares. The Invitation is managed by the Issue Manager and Co-Placement Agent and the Offer Shares are underwritten by the Underwriter and the Co-Placement Agent. Both the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent will subscribe for and/or procure subscriptions for the Placement Shares.

The Invitation Price was determined after consultation between our Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent and after taking into consideration, among others, prevailing market conditions and estimated market demand for our Shares. The Invitation Price is the same for all New Shares and is payable in full on application.

Investors may apply to subscribe for any number of New Shares in integral multiples of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of New Shares to be allotted and/or allocated to any single applicant and/or to allot and/or allocate New Shares above or under such prescribed limit as we shall deem fit.

Investors who are members of CPF in Singapore may, subject to the applicable CPF rules and regulations, use their CPF Funds to subscribe for the Offer Shares.

The Public Offer

The Offer Shares are made available to the members of the public in Singapore for subscription at the Invitation Price. The terms, conditions and procedures for application are described in Appendix C — "Terms, Conditions and Procedures for Application and Acceptance" of this Prospectus.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess application for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors in consultation with the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent and approved by the SGX-ST.

The Placement

Application for the Placement Shares may only be made by way of the Application Forms. The terms and conditions and procedures for application are described in Appendix C — "Terms, Conditions and Procedures for Application and Acceptance" of this Prospectus.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of our Placement Shares may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Invitation Price), as well as stamp duties and other similar charges.

None of our Directors or Substantial Shareholders intends to subscribe for the New Shares. To the best of our knowledge as at the Latest Practicable Date, we are unaware of any person who intends to subscribe for more than 5.0% of the New Shares. However, through a book building process to assess market demand for our Shares, there may be person(s) who may indicate interest to subscribe for more than 5.0% of the New Shares.

Further, no Shares shall be allotted and/or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

Management and Underwriting Agreement, and Placement Agreement

Pursuant to the Management and Underwriting Agreement, and the Placement Agreement, our Company appointed the Issue Manager and Co-Placement Agent to manage the Invitation, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent as placement agents to the Invitation and the Underwriter and Co-Placement Agent to underwrite our Offer Shares.

Management and Underwriting Agreement

The Issue Manager and Co-Placement Agent will receive a management fee from our Company for its services rendered in connection with the Invitation.

In the event that the Management and Underwriting Agreement is terminated, our Company reserves the right, at our absolute discretion, to cancel the Invitation.

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for shares in, or debentures of, our Company or our subsidiaries.

Pursuant to the Management and Underwriting Agreement, the Underwriter and Co-Placement Agent has agreed to subscribe and/or procure subscribers for all the Offer Shares for a commission of 3.5% of the Invitation Price multiplied by the total number of Offer Shares underwritten by the Underwriter and Co-Placement Agent, payable by our Company. The Underwriter and Co-Placement Agent may, at its absolute discretion, appoint one or more sub-underwriters to sub-underwrite the Offer Shares.

The Management and Underwriting Agreement may be terminated by the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent at any time prior to the dealing of the Offer Shares upon the occurrence of certain events, including, among other things, certain *force majeure* events. These events include any changes in national or international monetary, financial, political or economic conditions which result or are likely to result in, *inter alia*, the conditions in the Singapore stock market being materially and adversely affected or the success of the Invitation being materially prejudiced. The Management and Underwriting Agreement will be conditional upon the Placement Agreement not having been terminated or rescinded pursuant to the provisions of the Placement Agreement and the occurrence of certain events, including the fulfilment, or waiver by the SGX-ST, of all conditions contained in the letter of eligibility from the SGX-ST for the listing and quotation of our Shares on the Main Board of the SGX-ST.

Under the Management and Underwriting Agreement, our Company has undertaken not to issue at any time on or before the expiry of six months from the date of closing of the Application List ("**Closing Date**"), any marketable securities of our Company (in the form of, or represented or evidenced by bonds, notes debentures, loan stock, or other securities) or Shares or any options therefor, save for the new Shares to be issued upon the exercise of the CBB Option or vary, alter, subdivide or otherwise do anything to its capital structure (issued or otherwise), without the prior written consent of the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent, such consent not to be unreasonably withheld.

Placement Agreement

Pursuant to the Placement Agreement, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent have agreed to subscribe for and/or procure subscriptions for an the Placement Shares at the Invitation Price, for a placement commission of 3.5% of the Invitation Price multiplied by the total number of Placement Shares which each of the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent has successfully subscribed for and/or procured subscriptions for, payable by our Company in the proportion indicated in the following table.

Placement Agents	Proportion of Placement Shares
PrimePartners Corporate Finance Pte. Ltd.	13,540,000
UOB Kay Hian Private Limited	44,460,000

The Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent may, at their absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

The Placement Agreement may be terminated by the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent at any time prior to the dealing of the Placement Shares upon the occurrence of certain events, including, among other things, certain *force majeure* events. The Placement Agreement will be conditional upon the Management and Underwriting Agreement not having been terminated or rescinded pursuant to the provisions of the Management and Underwriting Agreement and the occurrence of certain events, including the fulfilment, or waiver by the SGX-ST, of all conditions contained in the letter of eligibility from the SGX-ST for the listing and quotation of our Shares on the Main Board of the SGX-ST.

Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Invitation Price for each Placement Share to the Issue Manager and Co-Placement Agent or the Underwriter and Co-Placement Agent (including the prevailing goods and services tax, if applicable).

Interests of Underwriter or Financial Adviser

Save for PrimePartners Corporate Finance Pte. Ltd.'s role as the Issue Manager and Co-Placement Agent in connection with the Invitation, UOB Kay Hian Private Limited's role as the Underwriter and Co-Placement Agent, we do not have any material relationship with PrimePartners Corporate Finance Pte. Ltd. or UOB Kay Hian Private Limited.

CLEARANCE AND SETTLEMENT

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of our Shares on the Main Board of the SGX-ST. For the purpose of trading on the SGX-ST, a board lot for our Shares will comprise 1,000 Shares. Upon listing and quotation on the SGX-ST, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

CDP, a wholly-owned subsidiary of the SGX-ST, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

Our Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by CDP, rather than CDP itself, will be treated, under the Companies Act and our Articles of Association, as our members in respect of the number of our Shares credited to their respective securities accounts.

Persons holding our Shares in a securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with our Articles of Association. A fee of S$10.00 for each withdrawal of 1,000 Shares or less and a fee of S$25.00 for each withdrawal of more than 1,000 Shares will be payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S$2.00 (or such other amounts as our Directors may decide) will be payable to our share registrar for each share certificate issued, and stamp duty of S$0.20 per S$100.00 or part thereof of the last-transacted price where our Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of our Shares deposited before they can effect the desired trades. A fee of S$10.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of our Shares sold and the buyer's securities account being credited with the number of our Shares acquired. No transfer stamp duty is currently payable for the transfer of our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S$600.00 per transaction. The clearing fee, instrument of transfer deposit fees and share withdrawal fee are subject to goods and services tax of 7.0% (or such other prevailing rate from time to time). Dealings in our Shares will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct securities account with CDP or a securities sub-account with a depository agent. A depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

USE OF PROCEEDS AND LISTING EXPENSES

The net proceeds to be raised from the issue and sale of the New Shares (after deducting the estimated Invitation expenses of approximately S$3.4 million) are estimated to be approximately S$26.3 million.

We intend to use the net proceeds for the following purposes:

Intended Use	S$ (in millions)	Amount allocated for each dollar of the gross proceeds raised from the Invitation (cent)
Development and expansion of business and operations in Singapore and overseas	16.6	55.9
Renovation of proposed new headquarters and facility at Yishun, A'Posh Bizhub	3.0	10.1
Investments in infrastructure relating to information technology	2.0	6.7
Working capital and general corporate purposes	4.7	15.8
Total	**26.3**	**88.5**

Please refer to the section titled "Strategies and Future Plans" of this Prospectus for more information on our plans above.

Pending the deployment of the net proceeds as aforesaid, the net proceeds may be added to our Group's working capital, placed as deposits with banks or financial institutions, or used for investment in money market or debt instruments, as our Directors may deem appropriate in their absolute discretion.

The foregoing discussion represents our Company's best estimate of its allocation of the net proceeds raised from the Invitation based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes.

In the event that any part of our proposed uses of the net proceeds from the issue of the New Shares do not materialise or proceed as planned, our Directors will carefully monitor the situation and may reallocate the proceeds to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interest of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the listing rules of the SGX-ST and appropriate announcements will be made by our Company on SGXNET.

There is currently no firm plan for the development and expansion of business and operations in Singapore and overseas. Our Company will make an announcement on the SGXNET as and when we enter into any definitive agreement for the development and expansion of business and operations in Singapore and overseas. As and when the funds from the Invitation are materially disbursed, our Company will make periodic announcements via SGXNET on the use of the net proceeds and will provide a status report on the use thereof in our annual report.

In the opinion of our Directors, no minimum amount must be raised from the Invitation.

Listing Expenses

The estimated amount of the expenses in relation to the Invitation and the application for listing is approximately S$3.4[1] million. A breakdown of these estimated expenses is as follows:

Intended Use	S$'000	Amount allocated for each dollar of the gross proceeds raised from the Invitation (cent)
Professional fees[2]	1,987	6.7
Underwriting and placement commission [3]	1,040	3.5
Miscellaneous expenses (including listing fees)	362	1.2
Total	**3,389**	**11.4**[4]

Please refer to the section titled "Plan of Distribution" of this Prospectus for more details on our management, underwriting and placement arrangements.

Notes:

(1) Out of the total estimated listing expenses of approximately S$3.4 million, approximately S$1.8 million will be expensed off and approximately S$1.6 million will be capitalised in FY2012.

(2) Includes fees payable to the legal advisers, accountants as well as management fees.

(3) Based on the underwriting commission of 3.5% of the Invitation Price for each Offer Share underwritten by the Underwriter and Co-Placement Agent and the placement commission of 3.5% of the Invitation Price of the Placement Shares placed by the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent.

(4) The expenses (11.4 cents of each dollar), together with the 88.5 cents of each dollar of the gross proceeds to be raised from the Invitation may not add up to S$1.00 due to rounding differences.

The information contained in this summary is derived from and should be read in conjunction with, the full text of this Prospectus. Because it is a summary, it does not contain all the information that potential investors should consider before investing in our Shares. Potential investors should read this entire Prospectus carefully, including the section titled "Risk Factors" of this Prospectus before making an investment decision.

OVERVIEW OF OUR GROUP

Our Company was incorporated in Singapore on 2 May 2001 as a private company limited by shares under the Companies Act. Our Company converted into a public company on 16 June 2011 in connection with the distribution *in specie* of all of our Shares to the shareholders of CBB, undertaken by CBB, in its capacity as sole shareholder of our Company, on 30 June 2011. In relation thereto, we changed our name to "Cordlife Group Limited". Our Group currently comprises our Company and our subsidiaries, namely, CLS Services Pte. Ltd. ("**CLS Services**"), Cordlife (Hong Kong) Limited ("**Cordlife Hong Kong**") and Shanghai Cordlife Biomedical Research Co., Ltd. ("**Cordlife Shanghai**").

Business

We are amongst the first private cord blood banks in Asia. Our business is focused on providing Cord Blood Banking Services which include the collection, processing, testing, cryopreservation and storage of umbilical cord blood at birth. In March 2011, we also launched the provision of umbilical cord tissue banking services in Hong Kong, which comprise the collection, processing, testing, cryopreservation and storage of the umbilical cord itself.

We currently provide Cord Blood Banking Services in Singapore and Hong Kong. We also provide Cord Blood Banking Services to customers from Indonesia, Macau and the Philippines. The Cord Blood Banking Services provided to our customers in Indonesia and the Philippines are provided pursuant to the Co-operation Agreement. Pursuant to the marketing collaboration agreement dated 18 May 2011 entered into between Cordlife Hong Kong and China Cord Blood, we are also able to gain access to PRC expectant mothers in Beijing and the Guangdong and Zhejiang provinces who intend to deliver in Hong Kong and can therefore provide Cord Blood Banking Services to such customers, in Hong Kong.

Our subsidiary, Cordlife Shanghai, is a wholly-owned foreign enterprise and was previously a dormant company. In January 2012, Cordlife Shanghai began the process of establishing a branch office in Shenzhen, Guangzhou, which will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong by educating expectant mothers in the Guangdong province who intend to deliver in Hong Kong about the benefits of cord blood banking, thus increasing their awareness towards such benefits. We believe that through the establishment of this branch office, coupled with the marketing collaboration agreement we have in place with China Cord Blood, we will be able to intensify our marketing efforts in the Guangdong province, which may in turn contribute to the expansion of our business operations in Hong Kong when these expectant mothers choose to store the cord blood units with us after delivery in Hong Kong.

Guangzhou Tianhe Nuoya Biology Engineering Co., Ltd. ("**Guangzhou Tianhe Nuoya**") (which is relevant due to our indirect 10.0% shareholding interest in it) is engaged in the business of providing Cord Blood Banking Services in Guangdong and is currently the sole licence-holder for the operation of a cord blood bank in Guangdong.

Our processing facilities are located in Singapore and Hong Kong and we currently have stored in excess of 35,000 cord blood units in these two locations. We launched umbilical cord tissue banking services in Hong Kong in March 2011 to complement our Cord Blood Banking Services pursuant to the

Cordlife Stem Cell Technology Co-operation Agreement. Please refer to the sections titled "General Information on our Group — Restructuring Exercise" and "History and Business — Collaboration" of this Prospectus.

Our Cord Blood Banking Services permits our customers to preserve their child's stem cells contained in the umbilical cord blood and the umbilical cord tissue storage services that we launched in Hong Kong also permits our customers in Hong Kong to collect and store their child's umbilical cord tissue, which may be used for treatment if their child so requires during his or her lifetime. Under certain conditions, cord blood cells may also be used to treat a sibling or family member as well.

Stem cells from the umbilical cord have a number of potential uses and are considered particularly promising for medical therapies.

The provision of Cord Blood Banking Services has been our core business since our incorporation and the collection, processing, testing, cryopreservation and storage of umbilical cord tissue, was an additional service offering launched in March 2011 for customers who subscribe for our services in Hong Kong. In addition, we are currently also exploring the possibility of offering umbilical cord tissue banking services in Singapore and we have began discussions with the MOH in relation to the licensing requirements for the provision of such a service. We currently have no indicative timeline for the implementation of such a service yet, if at all. However, the medical technology related to umbilical cord tissue is currently still at a developmental and experimental stage.

Further details of our business are set out under the section titled "History and Business — Business Overview" of this Prospectus.

COMPETITIVE STRENGTHS

We believe that the following are our competitive strengths:

(a) Market leadership

According to the Market Research Report conducted by DTFAS, the market share held by our Company in Singapore in 2010 is approximately 62.0% and the market share held by Cordlife Hong Kong in Hong Kong in 2010 is approximately 28.0%. Accordingly, we are the dominant market leader in Singapore and amongst the leaders in Hong Kong in terms of market share, enabling us to price our services at a premium to our competitors, attract greater publicity and making us the preferred partner of vendors who offer complementary products and services.

(b) Clinical leadership

We have displayed our clinical leadership as we believe we are one of the first private cord blood banks in Singapore and amongst the first in Hong Kong to have issued cord blood units stored with us for transplants and other therapeutic use. We continue to engage the medical community in driving the medical utility of cord blood. For instance, we were the first private cord blood bank to release cord blood units for the treatment of cerebral palsy in Singapore.

(c) Quality leadership

We were one of the first in Singapore and amongst the first in Asia to be accredited by AABB and have remained accredited since 2005. Our Hong Kong facility has been certified ISO:9001 since 2007 and was accredited by AABB in October 2011.

(d) Technology leadership

We were one of the first to adopt an automated processing system in Singapore and Hong Kong and we are constantly seeking to improve our services through the use of technology which will improve the utility of the cord blood units that we store.

(e) Experienced and dedicated management team

We have a strong and dedicated management team led by our Executive Director and Chief Executive Officer who oversees the overall business strategy, corporate development and business growth of our Group. He is in turn supported by our Executive Officers who have been in our Company in various positions before assuming their current leadership roles and such cross functional experiences have given them an in-depth knowledge of the industry and our Group.

(f) Enhanced and proven track records

We believe that our track record both as a pioneer in the cord blood banking industry within Asia and our growth over the last ten years, is testament to our deep understanding of the market forces, regulations and competitive environment of the cord blood banking industry, thus enabling us to remain a market leader in the regions in which we operate in.

(g) Established brand and marketing and distribution networks

We have a well-established brand and extensive marketing and distribution networks that provide us with significant leverage in introducing other tissue banking products and services in the future. In particular, we have entered into collaborative relationships or arrangements with the major private hospitals and several clinics in Singapore and Hong Kong and actively seek to improve recognition and promote awareness of our services. In addition, Cordlife Shanghai began the process of establishing a branch office in Shenzhen, Guangzhou, in January 2012, which will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong by educating expectant mothers in the Guangdong province who intend to deliver in Hong Kong about the benefits of cord blood banking.

For more details, please refer to the section titled "History and Business — Competitive Strengths" of this Prospectus.

STRATEGIES AND FUTURE PLANS

Our strategies and future plans are as follows:

(a) Leverage on our Company as the dominant market leader and an established brand in Singapore and Hong Kong, the existing markets which we currently operate in

Leveraging on our expertise, experience and existing market reputation of being an established brand and an accredited service provider, we intend to continue growing our core business with respect to the provision of Cord Blood Banking Services in Singapore and Hong Kong, which are the existing markets which we currently operate in. Going forward, we intend to develop our position further in Singapore and Hong Kong. To this end, we intend to undertake certain marketing activities which are aimed at promoting awareness towards the benefits of cord blood banking in the markets of Singapore and Hong Kong. Proceeds raised from this Invitation will not be utilised for the implementation of these marketing activities.

In addition, we would also be able to increase our current capacity as our new proposed headquarters and facility at Yishun, A'Posh Bizhub, with its larger space would accordingly enable us to store up to approximately 650,000 cord blood units and further entrench our market reputation and position.

(b) Capitalise on strategic investment in the PRC for growth in Hong Kong

Our marketing collaboration agreement with China Cord Blood gives us access to PRC expectant mothers in Beijing and the Guangdong and Zhejiang provinces who intend to deliver in Hong Kong. Of particular strategic value is the fact that there are over 140 hospitals in the Guangdong province as at December 2010 coupled with the fact that the Guangdong province is the area where PRC-expectant mothers who intend to deliver in Hong Kong typically move to, prior to, and in preparation for their delivery. Through our marketing collaboration with China Cord Blood, we would be able to educate this market segment about cord blood banking and market our Cord Blood Banking Services to them before they arrive in Hong Kong.

To further this strategy, Cordlife Shanghai began the process of establishing a branch office in Shenzhen, Guangzhou, in January 2012. This branch office will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong by educating expectant mothers in the Guangdong province who intend to deliver in Hong Kong about the benefits of cord blood banking, thus increasing their awareness towards such benefits.

(c) Leverage on expanded clinical use to drive perceived utility of cord blood banking

As medical development expands the therapeutic utility of cord blood banking, the perceived value of cord blood banking will be enhanced. We actively keep abreast of research in the area of clinical utility of cord blood and seek to update our customers on these developments on a periodic basis. As a result of this, we have from time to time, been approached by customers whose child may be suffering from diseases and who may require cord blood therapy for their treatment.

In addition, our Company also plays an active role in working closely with physicians with respect to the provision of cord blood units for use during these transplants, should such a need arise from our customers.

(d) Diversify into secondary and complementary services

We were one of the first to introduce an automated processing system in Singapore and Hong Kong. In addition, we entered into, *inter alia*, the Cordlife Stem Cell Technology Co-operation Agreement, which gave us the rights to use certain technology and expertise with respect to umbilical cord tissue banking, thus allowing us to offer umbilical cord tissue banking services to our customers and pursuant to which we launched the provision of umbilical cord tissue banking service in Hong Kong in March 2011. We are currently exploring the possibility of offering umbilical cord tissue banking services in Singapore and we have began discussions with the MOH in relation to the licensing requirements for the provision of such a service. We currently have no indicative timeline for the implementation of such service, if at all. As such, there is no clarity on whether proceeds to be raised from this Invitation will be utilised towards the purpose of implementation of the umbilical cord tissue banking services in Singapore. However, as and when the funds to be raised from this Invitation are materially disbursed, our Company will make period announcements via SGXNET and provide a status report on the use in our annual reports.

The provision of this additional umbilical cord tissue banking service serves to enhance the suite of services provided by our Group, thereby distinguishing us from our competitors and enabling us to attract more customers.

(e) Growth through accretive acquisitions in selected markets

We are well placed to grow our business organically and are also actively seeking opportunities to broaden our service offering and expand our geographical coverage in Asia through accretive acquisitions in selected markets around the region.

As part of our expansion plans, we entered into a subscription agreement with CS Cell Technologies Pte. Ltd., a wholly-owned subsidiary of CBB ("**CSCT**"), which holds 85.0% of Cordlife Sciences India Pvt. Ltd. ("**Cordlife India**"), on 7 March 2012, pursuant to which we will invest S$1.5 million in CSCT, through the subscription of redeemable convertible bonds (the "**Bonds**") issued by CSCT. The investment amount of S$1.5 million is intended for the expansion of operations of CSCT and Cordlife India only. This sum will be financed by the internally generated funds of our Company. CSCT is an investment holding company and has no operating businesses.

For more details on the terms of the subscription agreement, please refer to the section titled "Interested Person Transactions — On-going Transactions — (7) Investment in Cordlife India" of this Prospectus.

For so long as the Bonds remain outstanding, our Company shall have the right to appoint one member to the board of directors of CSCT and restrict CSCT from issuing new shares. We were approached by CSCT for an investment opportunity. Our investment via the Bonds was to enable us to follow and track the business development and progress of Cordlife India and give our Company the option to acquire a stake in Cordlife India, should Cordlife India perform successfully.

Currently, our targeted markets for acquisitions include Indonesia, India and the Philippines. In connection with our demerger from CBB, we had entered into the ROFR Agreement pursuant to which we were granted a right of first refusal to acquire CBB's cord blood banking businesses and operating companies in Indonesia, the Philippines and India, should CBB propose to sell their cord blood banking businesses in these jurisdictions within the respective periods as stipulated in the ROFR Agreement. The Non-Compete Agreement prohibits our Company from undertaking any activities or carrying on any business or trade that competes directly with the business carried on or proposed to be carried on by CBB in Indonesia, India and the Philippines for the respective periods. It also prohibits our Company from acquiring other similar existing businesses in these jurisdictions. However, the Non-Compete Agreement does not prohibit our Company from investing in the existing business carried out by Cordlife India. Furthermore, it is envisaged that once Cordlife India turns profitable, our Company, pursuant to the Right of First Refusal, will have the first opportunity to acquire Cordlife India, should CBB decide to dispose of Cordlife India at that time. The Non-Compete Agreement does not prohibit our Company from acquiring the businesses owned by the subsidiaries of CBB, pursuant to its rights under the ROFR Agreement, since such acquisitions would not be construed as competing with the CBB subsidiaries. Accordingly, our investment in Cordlife India is therefore not inconsistent with the terms of the

Non-Compete Agreement. If we acquire CBB's businesses and operating companies in Indonesia, India or the Philippines, our Group would be able to expand our operations in these jurisdictions.

In the event that CBB does not propose to sell their cord blood banking operations after the expiration of the respective periods as stipulated in the Non-Compete Agreement, our Group may choose to set up our own operations in those jurisdictions or elsewhere.

For more details, please refer to the section titled "Prospects, Strategies and Future Plans — Strategies and Future Plans" of this Prospectus.

OUR CONTACT DETAILS

Our registered office and principal place of business is located at 61 Science Park Road, #05-16/18, The Galen, Singapore Science Park II, Singapore 117525. Our telephone number is +65 6238 0808 and our facsimile number is +65 6238 1108. **Information on our website, www.cordlife.com/sg, or any website directly or indirectly linked to such website is not incorporated by reference into this document and should not be relied upon.**

INVITATION STATISTICS

Invitation Price	S$0.495
NAV	
The NAV per Share based on the unaudited combined statement of financial position of our Group as at 30 September 2011(1):	
(a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 150,887,354 Shares	28.5 cents
(b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 210,887,354 Shares	32.9 cents
(c) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital and after the exercise of the CBB Option of 232,687,354 Shares	29.8 cents
Premium of Invitation Price over the NAV per Share of our Group as at 30 September 2011:	
(a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 150,887,354 Shares	73.7%
(b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 210,887,354 Shares	50.5%
(c) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital and after the exercise of the CBB Option of 232,687,354 Shares	66.1%
Earnings	
Historical net EPS of our Group for FY2011 based on the pre-Invitation share capital of 150,887,354 Shares	5.6 cents
Historical net EPS of our Group for FY2011 based on the pre-Invitation share capital of 150,887,354 Shares had the Service Agreement been in effect for FY2011	5.5 cents
Price Earnings Ratio	
Historical price earnings ratio based on the historical net EPS of our Group for FY2011	8.8 times
Historical price earnings ratio based on the historical net EPS of our Group had the Service Agreement been in effect for FY2011	9.0 times

Net Operating Cash Flow[2]

Historical net operating cash flow per Share of our Group for FY2011 based on the pre-Invitation share capital of 150,887,354 Shares	5.3 cents
Historical net operating cash flow per Share of our Group for FY2011 based on the pre-Invitation share capital of 150,887,354 Shares had the Service Agreement been in effect for FY2011	5.2 cents

Price to Net Operating Cash Flow Ratio

Invitation Price to historical net operating cash flow per Share of our Group for FY2011 based on the pre-Invitation share capital of 150,887,354 Shares	9.3 times
Invitation Price to historical net operating cash flow per Share of our Group for FY2011 based on the pre-Invitation share capital of 150,887,354 Shares had the Service Agreement been in effect for FY2011	9.5 times

Market Capitalisation

Market capitalisation based on the post-Invitation share capital of 210,887,354 Shares and the Invitation Price	S$104.4[3] million

Notes:

(1) Please refer to the section titled "Appendix B — Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" to this Prospectus for further details.

(2) Net operating cash flow refers to the net cash flows from operating activities.

(3) The market capitalisation based on the post-Invitation share capital, the Invitation Price and after the exercise of the CBB Option of 232,687,354 Shares would be S$115.2 million.

Prospective investors should carefully consider and evaluate the following considerations and all other information contained in this Prospectus before deciding to invest in our Shares. Some of the following risk factors relate principally to the industry in which our Group operates and the business of our Group in general. Other considerations relate principally to general economic and political conditions and the securities market and ownership of our Shares, including possible future sales of our Shares.

If any of the following considerations and uncertainties develops into actual events, our business, results of operations and financial condition could be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations and uncertainties, and investors may lose all or part of their investment in our Shares. To the best of our Directors' belief and knowledge, all the risk factors that are material to investors in making an informed judgement have been set out below.

This Prospectus also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Prospectus.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

If all or part of the demand for cord blood is met by matching cord blood units donated by the public to patients in need of transplants, expectant mothers may choose not to pay for our subscription services, and our business and financial results may be materially adversely affected

There is no assurance that demand for our subscription services will remain at the current levels as there are public cord blood banks in Singapore and Hong Kong where the public can donate cord blood to. Similarly, there is also no assurance that demand for the subscription services offered in the PRC by Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya) would remain at the current levels as cord blood banking licensees in China are required to accept all cord blood donations, save for in situations where there exists a valid medical reason, and to provide matching services to patients in need of transplants. As the cord blood bank deposits donated by the public grow in size and increase in diversity, the probability of finding matching units for a family member among the units donated by the public may increase, which may result in a decrease in market demand for our subscription services. In addition, the value of our subscription services is related to the higher success rate of autologous cord blood transplants over unrelated ones. If medical research discovers new and more effective medical procedures that make allogeneic cord blood transplants safer and more effective, the clinical advantage of storing a child's umbilical cord blood for his or her own future therapeutic use may significantly decline. Although there had been no previous instances of customers pre-maturely terminating their contracts with our Group, subsequent to storing their cord blood units with us, as a result of the aforementioned factors, there is no assurance that such terminations would not occur in the future. Any decrease in the demand for our subscription services or attrition in our customer base arising from customers who decide to terminate their contracts before the end of the contracted period, could have a material adverse effect on our financial position and results of operations.

We are subject to the risks associated with alternative sources of stem cells being available and the technology of cord blood banking being rendered irrelevant

Currently, it is possible to collect stem cells from other bodily sources, including mobilised peripheral blood and bone marrow, besides the umbilical cord blood or cord tissues. Although the collection of stem cells from such alternative bodily sources may potentially cause side effects as they involve surgical procedures, as opposed to the collection of the stem cells from the cord blood which is done at the child's birth and is risk free in relation to the baby, extraction of stem cells from such alternative bodily sources is normally undertaken only when required, and as such, may be preferred by some. In this regard, we may be exposed to the risks that such alternative sources of stem cells may bring about, including any future advances in medical research and developments that result in cells collected from other bodily sources having the same or better therapeutic qualities vis-à-vis stem cells collected from the umbilical cord blood or cord tissue, or any future advances in technologies and processes that result in it being cheaper and/or more effective to collect and store cells from such other bodily sources.

Future medical developments and technological changes could also result in the development of new medical technologies that could obliterate the utility of cord blood and consequently render cord blood banking irrelevant.

Although there has been no previous material adverse effect on our profitability and results of operations arising from the aforementioned risks, there is no assurance that such risks would not occur in the future. The occurrence of any of the aforementioned would affect the demand for our subscription services, putting us at a competitive disadvantage and adversely affect our financial position and results of operations.

We are exposed to the risk of a deterioration or sudden dramatic decline in our reputation among our target customers due to failure in the performance of our cord blood banking facilities

Our reputation among customers, the medical community and the media is extremely important to our success. Our future success depends on acknowledging and actively monitoring the concerns of our target customers, regulatory agencies, civil society groups and non-government organisations. Failure to take appropriate consideration of legitimate corporate responsibility issues in our day-to-day operations could have a material adverse impact on our reputation and business prospects.

In addition, inadequacies in the management of our daily operations could also affect our reputation and business prospects. In particular:

- We are required to maintain a certain level of cell viability and cord blood deposits in our cord blood banks are stored at below minus 150 degrees Celsius continuously in liquid nitrogen tanks. To the extent the storage environment of our cord blood deposits is disrupted or impaired due to any software, hardware or equipment failure, our target customers may lose confidence in our services.

- Our customers provide us with extensive personal data, which are stored in our database. Any leakage of such information could have a material adverse effect on our reputation and our ability to attract new customers.

Any problems with our Cord Blood Banking Services, if publicised in the media or otherwise, could negatively impact our reputation in the cord blood banking industry in Singapore and Hong Kong. Similarly, any problems with the cord blood banking services offered by Guangzhou Tianhe Nuoya would affect their operations which may in turn adversely affect our financial condition and results of operations due to our indirect 10.0% shareholding interest in the entity. Inappropriate or inadequate communication following a major crisis, such as a major operational incident, breach of law or ethics or leak of market-sensitive confidential information, could quickly and seriously impair our reputation. Depending on the nature of such a major crisis, effective communication may not mitigate serious damage to our reputation and may render us subject to criminal and civil prosecutions. Any of these risks could have a material adverse effect on our operations and our financial condition and results of operations may be materially adversely affected.

We may be affected by negative publicity of the cord blood banking industry in general

In the event that potential customers lose confidence in the medical benefits of cord blood banking or in the processing techniques that are typically adopted for purposes of processing the cord blood units for storage due to, for instance, adverse publicity in newspaper or consumer reports with respect to the cord blood banking industry in general may discourage such potential customers from subscribing for our Cord Blood Banking Services, which may lead to a decrease in the demand for our Cord Blood Banking Services and adversely affect our business, financial condition and results of operations.

Our financial condition and results of operations may be materially adversely affected if a significant number of our customers who choose our long-term payment plans default on their payment or choose to terminate their contracts

We offer several types of payment plans to our customers. Our customers may choose to make a lump-sum payment upon the signing of the contract or choose to make yearly instalment payments over a 18-year or 21-year period (collectively, the "**Annual Payment Customers**"). For FY2009, FY2010, FY2011 and 1Q2012, the number of Annual Payment Customers accounted for approximately 49.5%, 40.3%, 39.2% and 31.5% of our total customers respectively. In the event of default whereby one of our Annual Payment Customer fails to make annual payment in accordance with the terms of the cord blood banking contracts, we may have to recognise an impairment charge. In such instances, our Company may terminate the cord blood banking contract by providing the relevant customer with a 14-day termination notice.

Although we have not experienced defaults by a significant number of our Annual Payment Customers in the past, there is no guarantee that all of our Annual Payment Customers will fulfil their long term payment obligations. For FY2009, FY2010, FY2011 and 1Q2012, the number of Annual Payment Customers defaults accounted for approximately a nominal percentage, 0.1%, 0.2% and a nominal percentage of our total customers respectively.

As opposed to defaults, early termination occurs when the cord blood banking contracts are voluntarily terminated at the request of our customers prior to either the 18th or 21st anniversary of the child's birth, depending on the jurisdiction in question. Such cases of pre-mature termination may occur if, among other reasons, the cord blood is not collected, the cord blood collected is not suitable for storage or retrieved for use or if our customers opt to transfer the cord blood units to another facility.

In the event of default by a significant number of Annual Payment Customers or pre-mature terminations as mentioned above, our financial condition and results of operations may be adversely affected.

We may face competition from other existing cord blood banking service providers as well as new players in the cord blood banking industry in the regions in which we operate

The cord blood banking industry is competitive. We face competition from existing cord blood banking services providers, some of whom may have longer operating histories, greater brand recognition and/or greater financial resources.

Our success depends on our ability to compete effectively against the competitors. With the potential influx of new entrants to the cord blood banking industry in Singapore and Hong Kong and more intense competition from existing competitors operating in the same regions, there is no assurance that we will be able to maintain or grow our market share. There can also be no assurance that we will be able to compete effectively against our competitors in the future due to various reasons including possible pricing wars and our inability to contain our operating costs and this could materially and adversely affect our business, financial condition and results of operations.

We currently operate our business primarily in Singapore and Hong Kong. A downturn in the local economy or fertility level of these regions could impair our growth and adversely affect our financial results

As we operate primarily in Singapore and Hong Kong, our target customers are concentrated in these regions. Due to the lack of geographical diversity of our operations, we may be unable to mitigate the effects of any adverse trends in economic development, disposable income or fertility level in the regions in which we operate. In particular:

- The successful operation and growth of our business are primarily dependent on general economic conditions in Singapore and Hong Kong, which are in turn affected by many factors, including demographic trends, the strength of the manufacturing and services industries, and tourism. A downturn in the manufacturing and services and tourism industries could potentially worsen the economic conditions of the regions in which we operate. A deterioration of current economic conditions or an economic downturn in Asia as a whole, or in Singapore or Hong Kong in particular, could result in declines in new customer sign-ups and impair our growth.
- As cord blood banking is a precautionary healthcare measure, our ability to sign up new customers generally depends on the disposable income of expectant mothers. There are many factors that are likely to cause such discretionary spending to fall, such as increases in interest rates, inflation, economic recession, declines in consumer credit availability, increases in consumer debt levels, increases in tax rates, increase in unemployment, and other matters that influence consumer confidence and spending.
- As our market is currently primarily targeted at expectant mothers and newborns, the growth of our business will be subject to the fertility level as well as population base in our regions. In the event the fertility level or the population base in our regions significantly declines, the results of our operations, revenues and liquidity may be substantially undermined.

One of our major growth strategies is to focus on increasing our penetration in our existing markets in Singapore and Hong Kong and exploring new markets in the region, which could be risky, because adverse economic or regulatory developments in one or more of these markets may have a material adverse effect on our financial position and results of operations. As such, there is no assurance that we would be able to maintain or enhance our success rates in attracting new customers in the future.

The profitability of our business is subject to market acceptance of cord blood banking in Singapore, Hong Kong and the PRC (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya)

Growing market acceptance of our Cord Blood Banking Services is critical to our future success. It is, however, difficult to predict whether we will be successful in generating additional consumer interest and confidence in the value of our services. Cord blood banking is a relatively new precautionary healthcare concept in Singapore, Hong Kong and the PRC (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya). To many of the target customers, cord blood banking service is a novelty and represents a departure from conventional healthcare spending. Cord blood banking may be unattractive to some from a costs-and-benefits perspective. If our Group or Guangzhou Tianhe Nuoya is unable to penetrate existing and future markets by attracting new customers due to lack of market acceptance of cord blood banking in Singapore, Hong Kong and the PRC, our Group or Guangzhou Tianhe Nuoya would not be able to generate sufficient profits and this could have a material adverse effect on our financial position and results of operations. As we hold an indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya, any adverse effect to their operations would in turn affect our financial position and results of operations.

Our financial results may be materially adversely affected as a result of any negative impact to the operations of Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya)

As the net profit contribution from the PRC (through our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya) was nil, 6.9%, 19.8% and 21.8% for FY2009, FY2010, FY2011 and 1Q2012 respectively, any negative impact caused to the operations of Guangzhou Tianhe Nuoya as a result of, *inter alia*, regulatory changes to the cord blood banking industry in the PRC or non-compliance with the relevant laws and regulations may potentially affect our operations and adversely affect our profitability, financial condition and results of operations.

In particular, the PRC government requires Guangzhou Tianhe Nuoya to store cord blood donated by the public and to offer matching units to patients in need of transplants. Pursuant to the relevant PRC rules and regulations, Guangzhou Tianhe Nuoya is not permitted to reject donated cord blood for storage, without a valid business or medical reason. To this end, donors are required to deliver at a collaborating hospital and such donated cord blood units are then inventorised for public use. The processing, testing and storage of such donated cord blood is made available to the public at no cost. Subsequently, further to the requests from transplant physicians or research institutions who may require cord blood, the donated cord blood units may be released for use subject to their suitability.

To provide the aforementioned service, Guangzhou Tianhe Nuoya will charge a fee of approximately RMB25,000, to recover the costs associated with the processing and storage of the donated cord blood, which is payable by the recipient of such cord blood unit.

Accordingly, an increase in the processing, testing and storage of such donated cord blood would impact the profitability of Guangzhou Tianhe Nuoya negatively as should there be insufficient demand for the inventorised publicly-donated cord blood units, Guangzhou Tianhe Nuoya may not be able to cover the cost of processing, testing and storage of the donated cord blood. This would in turn affect our financial condition and results of operations due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya.

Additionally, due to the lack of a clear, consistent and well-developed regulatory framework in the PRC coupled with the fact that operation in the cord blood banking industry in the PRC involves significant ambiguities, uncertainties and risks, the operations of Guangzhou Tianhe Nuoya may be affected which may in turn adversely affect our financial condition and results of operations due to our indirect 10.0% shareholding interest in the entity.

In addition, we cannot assure you that the operations of Guangzhou Tianhe Nuoya in the PRC can continue in the same manner as the health ministry in the PRC has adopted a “one licence per region” policy in its regulation of cord blood banks, which precludes more than one cord blood banking licensee from operating in the same provincial-level region. Pursuant to the “one licence per region policy”, only one licence will be issued to a cord blood bank operator in any region. Accordingly, as Guangzhou Tianhe Nuoya is currently the sole licence-holder in Guangdong, it will only be permitted to operate within the Guangdong province and will not be permitted to establish branches or cord blood stations beyond this designated region. Likewise, other cord blood bank operators are also prohibited from setting up blood stations or cord blood banks in Guangdong. However, should new licences be issued in Guangdong, due to new rules and regulations introduced by the PRC government in respect to the healthcare industry, or any region where Guangzhou Tianhe Nuoya plans to operate, the market position of Guangzhou Tianhe Nuoya as the sole cord blood bank operator in the relevant region may be undermined. In addition, the health ministry in the PRC or the relevant local department of health located in the respective cities of the PRC (“**DOH**”) may amend the regulatory regime under which they currently operate. They may take the position that the provision of fee-based commercial cord blood banking services is not limited to operators of licensed cord blood banks, resulting in competition to us arising from new entrants into the market. The PRC government may also promulgate further compulsory regulations or clarify its policies or regulatory positions, in its response to the development of medical reform in the PRC, by restricting or prohibiting licensed cord blood banks from conducting fee-based commercial cord blood banking services. The PRC government may guide or force licensed cord blood bank to focus its business on providing matching services. The health ministry in the PRC or the relevant DOH may restrict or prohibit the operators of licensed cord blood bank from conducting fee-based commercial cord blood banking services directly, or take the position that the subscription services and the matching services cannot be operated by the same operator, in which case Guangzhou Tianhe Nuoya may be required to obtain a separate or a special licence, permit, or authorisation for their subscription services.

In addition, the PRC government may adopt additional requirements for the licensing or registration of cord blood banking services. As a result of the ongoing healthcare reforms in China, the subscription services offered by Guangzhou Tianhe Nuoya may become subject to compulsory or directory guidance or other restrictions imposed by the PRC government. In particular, if subscription services become subject to price control in the PRC, they would be required to abide by such control and policies and they may not be able to charge their customers at current rates.

As we hold an indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya, occurrence of any of the abovementioned events would in turn adversely affect our financial condition and results of operations.

We are subject to risks posed by the non-collectability of customer payments that the CBB Group may collect on behalf of our Group

As a consequence of the Co-operation Agreement, the CBB Group had from time to time, accepted customer payment collections on behalf of our Group in respect of the provision of Cord Blood Banking Services. The sums of customer payments which the CBB Group collects on behalf of our Group are subsequently paid back to our Group by the CBB Group on a quarterly basis and computed based on the actual payments that the CBB Group had collected on behalf of our Group.

For FY2009, FY2010, FY2011 and 1Q2012, the aggregate customer payments accepted by the CBB Group on behalf of our Group accounted for approximately 5.9%, 7.3%, 7.4% and 7.2% of the total payments collected from our customers, respectively. Although there had been no previous instances whereby our Group failed to obtain the customer payments which the CBB Group had collected on our behalf, there is no assurance that such difficulty would not occur in the future. As such monies are not handled directly by our Group, should the CBB Group experience any, among other things, financial or cash flow difficulties or decide not to comply with the terms of the aforementioned agreements in the future, we may then be unable to collect the customer payments which the CBB Group had accepted on our behalf, as a result of which our profitability, financial condition and results of operations may be adversely affected. Please refer to the section titled "Interested Person Transactions — On-going Transactions — Collection Payments between the CBB Group and our Group" of this Prospectus for further details.

Changes in the cord blood banking industry dynamics and technologies could render our services uncompetitive or obsolete, which could cause our revenues to decline

The cord blood banking industry is evolving and may become increasingly competitive. Although the cryopreservation technology and the automated cord blood processing technology, Sepax®, which is currently adopted by us is well-established and there has been no recent significant breakthrough in technology in respect of them, we believe that a variety of cryopreservation technologies are under development by other companies. If this should occur, our facilities may be rendered obsolete as other cord blood banks may have better technologies than ours for preserving the cord blood units collected upon childbirth to facilitate future harvest of stem cells contained in the cord blood. To effectively compete in the future, we may need to invest significant financial resources to keep pace with technological advances in the cord blood banking industry. In this regard, we may have to incur significant expenses to upgrade our facilities. Our current Singapore facility was completed in late 2007 and we introduced the use of the automated cord blood processing technology, Sepax®, in November 2008. In the event there is a breakthrough or advances in technology which leads to the current technology adopted by us requiring upgrades, it may lead to significant capital outlay which would adversely affect our profitability because we may not be able to pass the costs onto our existing customers.

To remain competitive, we must continue to enhance our infrastructure to keep up with technological developments in the healthcare industry. Failure to respond rapidly to changing technologies could have a material and adverse impact on our performance, cause our revenues to decline and it could have a material adverse effect on our financial position and results of operations.

If we fail to maintain and strengthen our service platform, our new client sign-ups may decline and our growth may be impaired

A significant portion of our sales and marketing activities are conducted by our own direct sales and marketing force with the support of our collaborating hospitals and clinics. We have collaborative relationships or arrangements with the major private hospitals and several clinics in Singapore and Hong Kong. We conduct a significant portion of our sales and marketing activities through these hospitals and rely on them for cord blood collection.

The expansion of our service platform is also likely to require a significant investment of financial resources and management efforts, and the benefits, if any, that we gain from such an expansion may not be sufficient to generate an adequate return on our investment. If we fail to do so, our sales could fail to grow or could even decline, and our ability to grow our business could be adversely affected and it could have a material adverse effect on our financial position and results of operations.

Our business activities are subject to regulations that may impose significant costs and restrictions

The healthcare industry in Singapore is regulated by the MOH whilst the healthcare industries in Hong Kong and the PRC are regulated by the respective regulatory authorities. In particular:

- The regulatory framework on the cord blood banking industry may not be sufficiently comprehensive to address all ranges of issues in connection with operation in the cord blood banking industry and to respond to the changes and developments in the industry.

- Stringent regulations and standards apply to various other aspects of the operations, including workers' safety, the maintenance of premises, and the handling and disposal of waste materials and hazardous substances. Failure to maintain the required standards can result in fines, an order to suspend the operations of the facilities until corrective measures are implemented or the revocation of the operating permits for such facilities or the denial of permission for their renewal.

- Most of the devices and reagents used in the collection, processing, testing and storage of cord blood units are regulated. In this regard, we require all our suppliers to comply with all applicable regulations. However, there can be no assurance that our suppliers will continue to meet the regulatory requirements and our operations may be adversely affected if our suppliers fails to meet such requirements.

- Professional medical waste disposal firms are also required to be hired to collect and dispose of medical waste produced in the process of collection, transportation, testing, processing and cryopreservation of cord blood. Such compliance costs may put extra strain on the financial resources.

Regulation of cord blood banking services in the jurisdictions we operate in are still evolving and may change to adversely impact our operations. A failure in complying with these regulations may have a material adverse effect on our operations and our financial condition and results of operations may as such be materially adversely affected. As we hold an indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya, any adverse effect to their operations would in turn affect our business, financial position and results of operations.

We are subject to risks relating to foreign currency exchange rate fluctuations

Because of our operations in Hong Kong, we receive income and incur expenses in HK$. In addition, we are exposed to various costs and debt denominated in HK$. Consequently, our costs and profit margin may be affected by fluctuations of the HK$ exchange rate. For FY2009, FY2010, FY2011 and 1Q2012, 25.4%, 28.0%, 25.2% and 27.4% respectively of our total revenue were denominated in HK$. The impact of future exchange rate fluctuations in respect of the HK$ on our liabilities, cost of sales and margins cannot be accurately predicted and the HK$ may not be readily convertible or exchangeable. There are no other foreign currencies apart from HK$ in which our revenue is denominated in.

In addition, our financial statements are presented in and our reporting currency is in S$. Exchange rate gains or losses will arise when the assets and liabilities in HK$ are translated or exchanged into S$ for financial reporting or repatriation purposes. If the HK$ depreciates against the S$, this may adversely affect our reported financial results.

We rely on automated systems and information technology to operate our business and any failure of these systems may have a material adverse effect on our business

We rely on automated systems and information technology to operate our business, some of which are provided by third parties. Any inability of such third parties to deliver such services could significantly disrupt our operations and materially and adversely affect our business. While we have in place disaster recovery and business continuity plans, any disruption in our automated systems may result in the loss of important data, increase our expenses and materially and adversely affect our reputation.

We retain personal information received from customers and have put in place security measures to protect against unauthorised access to such information. Personal information held both offline and online is highly sensitive and personal, and if third parties were to access such information without the customers' prior consent or if third parties were to misappropriate that information, our reputation could be adversely affected and our customers could possibly bring legal claims against us, any of which could adversely affect our operations and our financial condition.

If there are any adverse public health developments in Singapore, Hong Kong and the PRC (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya), our business and operations may be severely disrupted

Any prolonged occurrence of avian flu, influenza A (H1N1), severe acute respiratory syndrome, or "SARS," or other adverse public health developments in the jurisdictions where we have an operation or presence may have a material adverse effect on our business operations. These could include the ability of our personnel to travel or to promote our services, as well as the temporary closure of our facilities. In particular, there have been reports of occurrences of avian flu in Hong Kong and in various parts of the PRC in recent years, including confirmed human cases. In response, the Hong Kong and PRC government have authorised local governments to impose quarantine and other restrictions on movements of people and goods in the event of an epidemic. Any closures or travel or other operational restrictions would severely disrupt our business operations and adversely affect our results of operations.

Although there has been no previous material adverse effects on our profitability and results of operations arising from the aforementioned risks as we were still able to conduct collection of cord blood during the SARS period in Singapore and the avian flu period in Hong Kong, there is no assurance that future occurrences of such health developments would not materially affect our business, profitability, financial condition and results of operations. In addition, as we hold an indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya, any adverse effect to their operations resulting from the aforementioned health developments would in turn also affect our financial position and results of operations.

Our prospects may be adversely affected if the perceived utility of cord blood is diminished due to the lack of medical developments to overcome some of the current technical and therapeutic limitations on the use of cord blood in medical treatment

Cord blood therapy is still at an early stage of development. Cord blood therapy needs to overcome various technical obstacles before it can become an established medical practice and currently has the following limitations:

- Cord blood transplants may be riskier than other available treatments. Stem cells in cord blood are more primitive than those in bone marrow or peripheral blood. For this reason, the engraftment process takes longer with cord blood, leaving the patient vulnerable to a fatal infection for a longer period of time. Further, a patient's own stem cells either "often may" or "usually would" not be the safest or most effective source of stem cells for medical treatment, particularly in genetic disorders where the cells are very unlikely to be of any medical use at all, potentially making it preferable to use the cord blood units donated by healthy individuals instead of the cord blood units collected upon the patient's birth.

- Due to the fact that cord blood therapy is a fairly new medical procedure with limited empirical data regarding its application, the long-term viability of cryogenically frozen cord blood has yet to be firmly established.

- A typical cord blood harvest only contains enough stem cells to treat a large child or small adult (weighing approximately 50 kilogrammes). Although large-sized adults have had successful cord blood transplants in clinical trials, either by growing the cells in a laboratory prior to transplant or by transplanting more than one cord blood unit at a time, such technology has not yet matured to be applied in general medical practice for commercial use.

Cord blood therapy may never become an established medical practice. If the perceived utility of cord blood therapy declines, our prospects will be materially adversely affected.

We may not be successful in the implementation of our strategies to grow our business

As part of our growth strategy, we intend to, *inter alia*, undertake accretive acquisitions as well as leverage on our Company as the dominant market leader and established brand in Singapore and Hong Kong to further develop our position and expand into other markets within the Asian region. In addition, we also entered into the ROFR Agreement in connection with our demerger from CBB. The success of our future expansion plans would depend on our ability to accomplish and fulfill the aforementioned strategies and agreements, respectively. This would depend on a number of factors, some of which are beyond our control, including our ability to identify suitable opportunities for investment or acquisition; whether we are able to reach an acquisition or investment agreement on terms that are satisfactory to us; the extent to which we are able to exercise control over the acquired company or business; the economic, business or other strategic objectives and goals of the acquired company or business compared to those of ours; our ability to successfully integrate the acquired company or business with our Group; and whether CBB decides to fulfill its obligations pursuant to the ROFR Agreement. If we are unsuccessful in our acquisitions and investments or CBB decides not to fulfill its obligations pursuant to the ROFR Agreement, our business, financial condition and prospects may be materially and adversely affected.

We are dependent on our key management personnel and medical directors

Dr Ho Choon Hou, our Chairman and Non-executive Director and Mr Yee Pinh Jeremy, our Executive Director and Chief Executive Officer have been instrumental in the growth and development of our Company. We believe that our continued growth and success will be dependent upon our ability to retain our key management personnel. In addition, Dr Chiew Yoke Fong and Dr Teo Gek Choo Jennifer are medical directors licensed by the MOH, and are responsible for the medical aspects of our operations in Singapore and Hong Kong respectively. Please refer to the section titled "History and Business — Medical Directors" of this Prospectus for further details on the responsibilities of our medical directors. As our medical director, Dr Teo Gek Choo Jennifer, who is responsible for the medical aspect of our Hong Kong operations is not physically stationed in Hong Kong, our operations in Hong Kong is also supported by our laboratory supervisor and manager, who are licensed under the Medical Laboratory Technologists Board, Hong Kong and are responsible for supervising the entire laboratory functions of our operations in Hong Kong. The loss of any of our key management personnel, including our medical directors without any timely and suitable qualified replacements, or the inability to attract, hire and retain suitable candidates may have an adverse effect on our business and results of operations.

We may not be able to obtain adequate financing for working capital and our future growth plans

We may face difficulties in obtaining adequate or sufficient financing in the current credit markets where financial institutions are increasingly cautious when extending credit facilities to fund our working capital, operational requirements and future growth. Please see the section titled "Management's Discussion and Analysis of Results of Operations and Financial Condition — Liquidity and Capital Resources" for further details of our bank borrowings. We cannot assure you that we will be able to obtain sufficient financing, on a short-term or long-term basis, or on favourable commercial terms, if at all. In the event we are unable to obtain sufficient financing, our cashflow and financial position will be adversely affected.

We may be involved in material disputes, legal and other proceedings from time to time

While our Company has not been involved in any material disputes, legal or other proceedings in the five years preceding the Latest Practicable Date, we cannot assure you that we may not be involved in disputes with various parties from time to time, such as our customers or our suppliers. These disputes may result in legal or other proceedings and therefore cause disruption and delays to our business, in addition to the additional costs that may be incurred in the settlement or resolution of such disputes. We may also have disagreements with regulatory bodies in the course of our operations, where we may be subject to administrative proceedings and/or unfavourable orders, directives or decrees that may result in financial losses. In the event we are unable to resolve such disputes or proceedings in a timely manner, our business, operations and results of operations will be adversely affected.

We may not have sufficient insurance coverage against potential losses and claims arising from certain events

Although our Directors believe that we have sufficient insurance coverage in accordance with industry standards and business practice and in particular, medical malpractice insurance which covers any negligent act, error or omission committed by us during the conduct of our operations which would include damage to cord blood units during processing in our facilities, and although we may be required to increase our insurance coverage when necessary, we cannot assure you that our existing insurance coverage will be sufficient to indemnify us against all potential losses. For instance, our Group may be required to compensate for any damage that is caused to the collected cord blood during the processing of such cord blood in our facilities and in the event the claim amount of our customers arising from damage caused to the collected cord blood exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. Please refer to the section titled "History and Business — Insurance" of this Prospectus for further details on our insurance.

Uncertainty in interpretation and application of certain PRC laws may limit the ability of Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya) to distribute profits to us as dividends

The operations of Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya) in the PRC is subject to the laws and regulations promulgated by the PRC government and there is some uncertainty relating to the interpretation and application of certain PRC laws and regulations with respect to the business of cord blood stations and the distribution of profits as dividends.

In particular, Guangzhou Tianhe Nuoya is subject to the Measures for Administration of Blood Stations (the "**Measures**") as adopted by the Ministry of Health. As the Measures does not provide for clear guidance on the interpretation of certain rules and regulations relating to profit distribution, some degree of uncertainty exist. In this regard, we cannot assure you that the relevant rules and regulations will not be interpreted to our disadvantage and restrict the ability of Guangzhou Tianhe Nuoya to distribute dividends to us which may in turn adversely affect our financial condition and results of operations.

We may be subject to risks associated with accidents occurring during the transportation of collected cord blood

After delivery of the child, collected cord blood is delivered by a third-party courier in respect of collections from Singapore hospitals and by our staff in respect of collections from Hong Kong and Macau hospitals, respectively. In this regard, any accidents that may occur during this transportation process may lead to the contamination or destruction of the collected cord blood. If the collected cord blood is contaminated as a result of accidents during the transportation process, our Company would not be able to process and store such contaminated cord blood. Accordingly, this may have an impact of our profitability as we would not be able to collect any fees. In addition, our Company may also suffer reputational loss, which may also affect our profitability and results of operations.

Although there had been no previous instances of such incidents occurring during transportation of the cord blood, there is no assurance that such risks would not occur in the future and cause an adverse effect to our financial position and results of operations.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

There may be volatility in the price of our Shares

Prior to our demerger from CBB, our Company was a wholly-owned subsidiary of CBB, which is listed on the Australian Securities Exchange and CBB had approximately 550 Shareholders at the time of the demerger. We cannot assure you that an active trading market for our Shares will develop, if at all. Even if an active market develops, the trading price of our Shares may be volatile and may fluctuate significantly in response to, among others, the following factors, some of which are beyond our control:

- variations in our operating results;
- changes in market valuations of similar companies;
- announcements by ourselves or our competitors of the gain or loss of significant contracts, strategic partnerships, acquisitions, joint ventures or capital commitments;
- fluctuations in the stock market and global economy;
- the successful implementation of our growth strategy;
- the employment or departures of key personnel;
- any involvement in litigation; and
- changes in securities analysts' recommendations, perceptions or estimates of our financial performance.

The actual performance of our Group and business may differ materially from the forward-looking statements in this Prospectus

This Prospectus contains forward-looking statements, which are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside our control. Furthermore, our revenue and financial performance are dependent on a number of external factors, including demand for our services which may decrease for various reasons such as a global economic slowdown, increased competition within the industry or changes in applicable laws and regulations. We cannot assure you that these assumptions will be realised and our actual performance will be as projected.

Shareholders may experience immediate and substantial dilution

The Invitation Price of our Shares is substantially higher than the NAV based on our post-Invitation issued share capital. If we were liquidated immediately following the Invitation, each investor subscribing to this Invitation will receive less than the Invitation Price paid. Please refer to the section titled "Dilution" of this Prospectus for further details.

In addition, should we elect to raise funds in the future through the issuance of new Shares, existing Shareholders who do not or are unable to subscribe or participate in such fund raising exercises will experience a dilutive effect on their shareholdings.

Any substantial disposal or sale of our Shares may adversely impact the price of our Shares

Any substantial disposal or sale of our Shares in the future may exert a downward pressure on the price of our Shares. The sale of a substantial number of Shares after the Invitation, or the perception that such sales may occur, could adversely affect the price of our Shares and affect our future ability to raise funds through equity or equity-related securities in the future.

As at the Latest Practicable Date, we have approximately 550 Shareholders pursuant to demerger of our Company from CBB and the distribution *in specie* of all of our Shares to the shareholders of CBB that was undertaken by CBB, in its capacity as sole shareholder of our Company, on 30 June 2011. Pursuant to the Invitation, an aggregate of 20.92% of our post-Invitation share capital belonging to Dr Ho Choon Hou, Mr Yee Pinh Jeremy, Ms Jin Lu, China Stem Cells (East) Company Limited and the CBB Bond Holder will be subject to the moratorium while the remaining 79.08%, out of which 53.30% comprise the Existing ASX Shareholders, Jayhawk Private Equity Fund II L.P. and Wells Spring Pte Ltd, will not be subject to any disposal restrictions.

Please refer to the section titled "General Information on our Group — Moratorium" for further details.

An active trading market for our Shares may not develop and their trading price may fluctuate significantly

Prior to our demerger from CBB, our Company was a wholly-owned subsidiary of CBB, which is listed on the Australian Securities Exchange and CBB had approximately 550 Shareholders at the time of the demerger. Although an application has been made to the SGX-ST for the listing and quotation of our Shares on the Main Board of the SGX, there can be no assurance that there will be a liquid public market for our Shares after the Invitation. If an active public market for our Shares does not develop after the Invitation, the market price and liquidity of our Shares may be adversely affected.

Singapore law contains provisions that could discourage a take-over of our Company

We are subject to the Singapore Code of Take-Overs and Mergers (the "**Singapore Take-Over Code**"). The Singapore Take-Over Code contains provisions that may delay, deter or prevent a future take-over or change in control of our Company. Under the Take-Over Code, any person acquiring an interest, either individually or together with parties acting in concert, in 30.0% or more of our voting shares must extend, except with the consent of the Securities Industry Council a take-over offer for our remaining voting shares in accordance with the Take-Over Code. Except with the consent of the Securities Industry Council, a take-over offer is also required to be made if a person holding between 30.0% and 50.0% inclusive of the voting rights in our Company, either individually or in concert, acquires more than 1.0% of our voting shares in any six-month period under the Take-Over Code. While the Singapore Take-Over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefit from a potential change of control.

DIVIDEND POLICY

Our Group has not paid any dividends for the Periods Under Review.

We currently do not have a formal dividend policy. However, we intend to recommend and distribute dividends of at least 25.0% of our FY2011 and FY2012 profits attributable to Shareholders for FY2012 and FY2013 (the "**Proposed Dividends**") respectively. Depending on our Group's cash requirements, we may distribute the Proposed Dividends on a quarterly basis after the end of each respective financial year. Investors should note that the foregoing statement on the Proposed Dividends is merely a statement of our present intention and shall not constitute a legally binding obligation on our Company or legally binding statement in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion. Investors should not treat the Proposed Dividends as an indication of our Group's future dividend policy. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed.

There can be no assurance as to the form, amount or timing of any future dividends that will be paid (if any).

Any declaration and payment of dividends will depend upon our Group's operating results, financial conditions, other cash requirements including capital expenditures, the terms of borrowing arrangements (if any), and other factors deemed relevant by our Directors. Any final dividends paid by us must be approved by an ordinary resolution of our Shareholders at a general meeting and must not exceed the amount recommended by our Directors. Our Directors may, without the approval of our Shareholders, also declare an interim dividend. We must pay all dividends out of profits or pursuant to the Companies Act.

Information relating to taxes payable on dividends are set out in the section titled Appendix D — "Singapore Taxation" of this Prospectus.

DILUTION

Dilution is the amount by which the Invitation Price paid by the subscribers of our New Shares in this Invitation exceeds the NAV per Share after adjusting for the Invitation and the exercise of the CBB Option.

NAV per Share as at 30 September 2011, before adjusting for the net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 150,887,354 Shares is 28.5 cents.

Pursuant to the Invitation in respect of 60,000,000 New Shares at the Invitation Price, our NAV per Share after adjusting for the estimated proceeds due to us from the Invitation, based on the post-Invitation share capital of 210,887,354 Shares is 32.9 cents.

Pursuant to the exercise of the CBB Option which will result in the issuance of 21,800,000 Shares, our NAV per Share after adjusting for the estimated proceeds due to us from the Invitation, based on the post-Invitation share capital and the exercise of the CBB Option of 232,687,354 Shares is 29.8 cents. This represents an immediate increase in NAV per Share of 1.3 cents to our existing Shareholders and an immediate dilution in NAV per Share of 19.7 cents to our new investors. The following table illustrates the dilution per Share:

	Cents
Invitation Price per Share	49.5
NAV per Share based on the pre-Invitation share capital of 150,887,354 Shares	28.5
Increase in NAV per Share attributable to existing Shareholders	1.3
Adjusted NAV per Share after the Invitation and exercise of the CBB Option	29.8
Dilution in NAV per Share to new investors	19.7
Dilution in NAV per Share to new investors (as a percentage of the Invitation Price)	39.8%

The following table summarises the total number of Shares distributed to our Directors and direct Substantial Shareholders as at the date of this Prospectus, the total consideration paid by them and the average price per Share paid by our Directors and direct Substantial Shareholders, if any, and by our new public investors pursuant to this Invitation. As the Shares were distributed to our Directors and direct Substantial Shareholders pursuant to the distribution *in specie* of all of our Shares to the shareholders of CBB on 30 June 2011, no consideration was paid in respect of such Shares by our Directors and direct Substantial Shareholders as with all the other Shareholders who received Shares pursuant to the *in specie* distribution.

	Number of Shares	**Total Consideration (S$)**	**Average price per Share (cents)**
Directors			
Dr Ho Choon Hou	529,061	—	—
Mr Yee Pinh Jeremy	1,326,034	—	—
Ms Jin Lu	650,000	—	—
Mr Ho Sheng	—	—	—
Dr Goh Jin Hian	—	—	—
Mr Ng Tiak Soon	—	—	—

DILUTION

	Number of Shares	Total Consideration (S$)	Average price per Share (cents)
Substantial Shareholders			
China Stem Cells (East) Company Limited	24,366,666	—	—
CBB Bond Holder[(1)]	21,800,000	—	—
Jayhawk Private Equity Fund II, L.P.	9,706,914	—	—
Wells Spring Pte Ltd	8,000,000	—	—
New Public Investors	60,000,000	29,700,000	49.5

Note:

(1) Pursuant to the terms of the Bond Deed, the CBB Option will have to be exercised upon our admission to the Official List of the SGX-ST. In this regard, the CBB Bond Holder has been listed as a Substantial Shareholder in the aforementioned table as it will become a Shareholder upon the exercise of such CBB Option. The CBB Option was granted to the CBB Bond Holder in connection with the distribution *in specie* exercise undertaken by CBB, in its capacity as sole shareholder of our Company, on 30 June 2011, at no consideration. Please refer to the section titled "General Information on our Group — Restructuring Exercise" for further details on the Bond Deed.

The following selected financial information should be read in conjunction with the full text of this Prospectus, including the sections titled "Management's Discussion and Analysis of Results of Operations and Financial Condition" and the "Independent Auditors' Report and Combined Financial Statements for the Financial Years Ended 30 June 2009, 2010 and 2011" and the "Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" as set out in Appendices A and B to this Prospectus, respectively.

A summary of the financial information of our Group in respect of FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 is set out below:

OPERATING RESULTS OF OUR GROUP(1)

	Audited			Unaudited	
(S$'000)	**FY2009**	**FY2010**	**FY2011**	**1Q2011**	**1Q2012**
Revenue from the rendering of services	22,584	28,163	25,673	6,214	7,272
Cost of sales	(6,179)	(7,648)	(7,410)	(1,854)	(2,237)
Gross profit	16,405	20,515	18,263	4,360	5,035
Other operating income	152	143	360	95	45
Selling and marketing expenses	(3,704)	(5,673)	(5,876)	(1,330)	(1,730)
Administrative expenses	(5,766)	(6,568)	(5,535)	(1,184)	(1,849)
Share of results of associate	—	577	1,675	322	404
Finance income	647	1,000	1,090	187	250
Finance costs	(25)	(46)	(43)	(31)	—
Profit before income tax(2)	7,709	9,948	9,934	2,419	2,155
Income tax	(1,168)	(1,529)	(1,458)	(480)	(300)
Profit for the financial year/period, net of tax(2)	6,541	8,419	8,476	1,939	1,855
Other comprehensive income					
Foreign currency translation	137	(112)	(933)	(30)	582
Total comprehensive income for the financial year/period, net of tax	6,678	8,307	7,543	1,909	2,437
Profit after income tax attributable to:					
Non-controlling interests	356	147	—	—	—
Owners of the company	6,185	8,272	8,476	1,939	1,855
	6,541	8,419	8,476	1,939	1,855

	Audited			Unaudited	
(S$'000)	FY2009	FY2010	FY2011	1Q2011	1Q2012
Total comprehensive income attributable to:					
Non-controlling interests	416	68	—	—	—
Owners of the company	6,262	8,239	7,543	1,909	2,437
	6,678	8,307	7,543	1,909	2,437
Earnings per share for profits attributable to owners of the Company:					
Basic EPS (cents per Share)[(3)]	4.10	5.48	5.62	1.28	1.23
Diluted EPS (cents per Share)[(4)]	4.10	5.48	5.62	1.28	1.07
Adjusted EPS (cents per Share)[(5)]	2.66	3.55	3.64	0.83	1.05

Notes:

(1) The combined operating results of our Group have been prepared on the basis that the Restructuring Exercise had occurred on 1 July 2008.

(2) Assuming the Service Agreement (set out in the section titled "Directors, Executive Officers and Staff — Service Agreements" of this Prospectus) had been in place since 1 July 2010, our combined profit before income tax, net profit and EPS computed based on our post-Invitation share capital and the exercise of the CBB Option of 232,687,354 Shares for FY2011 would have been approximately S$9.7 million, S$8.2 million and 3.6 cents respectively.

(3) For comparative purposes, the EPS for the Periods Under Review have been computed based on the net profit attributable to owners of our Company and the pre-Invitation share capital of 150,887,354 Shares.

(4) For comparative purposes, the diluted EPS for the Periods Under Review have been computed based on the net profit attributable to owners of our Company and the weighted average pre-Invitation share capital of 150,947,080 Shares as adjusted for the number of days for which the CBB Option had been in issue for FY2011. Please refer to the sections titled "Appendix A — Independent Auditors' Report and Combined Financial Statements for the Financial Years Ended 30 June 2009, 2010 and 2011" and "Appendix B — Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" to this Prospectus for further details.

(5) For comparative purposes, the adjusted EPS for the Periods Under Review have been computed based on the net profit attributable to owners of our Company, the post-Invitation share capital and the exercise of the CBB Option of 232,687,354 Shares.

COMBINED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP[1]

	Audited	Unaudited
(S$'000)	**As at 30 June 2011**	**As at 30 September 2011**
Non-current assets		
Investment in associate	15,111	16,116
Property, plant and equipment	4,260	4,643
Intangible assets	11	23
Non-current trade receivables	22,874	23,502
Deposits	208	217
	42,464	44,501
Current assets		
Cash and cash equivalents	3,995	4,743
Other financial assets	1,310	1,269
Trade receivables	6,788	6,116
Other receivables	288	753
Prepayments	318	442
Inventories	228	327
	12,927	13,650
Current liabilities		
Trade and other payables	2,261	2,334
Deferred revenue	3,675	3,047
Tax payable	2,044	2,002
Finance lease liabilities	15	15
Interest-bearing borrowings	47	61
	8,042	7,459
Net current assets	4,885	6,191
Non-current liabilities		
Non-current deferred revenue	5,886	6,411
Non-current finance lease liabilities	6	3
Deferred tax liabilities	132	136
Non-current interest-bearing borrowings	771	1,151
	6,795	7,701
Net assets	40,554	42,991
Capital and reserves		
Share capital	25,677	25,677
Accumulated profit	16,933	18,788
Reserves	(2,056)	(1,474)
	40,554	42,991
Non-controlling interests	—	—
	40,554	42,991
NAV per Share (cents)[2]	26.9	28.5

Notes:

(1) The combined statements of financial position of our Group have been prepared on the basis that Restructuring Exercise had occurred as of 1 July 2008.

(2) NAV per Share is computed based on the net asset value and our pre-Invitation share capital of 150,887,354 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the "Independent Auditors' Report and Combined Financial Statements for the Financial Years Ended 30 June 2009, 2010 and 2011" and the "Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" as set out in Appendices A and B to this Prospectus and the related notes elsewhere in this Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in the section titled "Risk Factors" of this Prospectus. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section titled "Cautionary Note on Forward-Looking Statements" of this Prospectus.

Except as otherwise indicated, the following discussion is based on our audited combined financial statements, which have been prepared in accordance with the Singapore Financial Reporting Standards.

OVERVIEW

Revenue from the rendering of services

Revenue is derived mainly from the provision of our Cord Blood Banking Services. In March 2011, our Group started to provide umbilical cord tissue banking services. Cord blood and umbilical cord tissue banking services comprise the collection, processing, testing, cryopreservation and storage of stem cells that are extracted from the cord blood and the umbilical cord itself.

Revenue is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to the percentage of costs incurred to estimated total costs to complete the contracts. Revenue is recognised upon the completion of processing of cord blood units collected and subsequently at the completion of each year of storage. Once the processing of the cord blood unit is completed, based on existing costs information, approximately 88.0% of the total revenue is recognised. The remaining 12.0% is recognised in approximately equal portions at the completion of each year of storage.

Where services are being provided under our contracts, revenue is only recognised to the extent that services are being rendered, with the remaining being accounted for as deferred revenue on the statement of financial position.

Our revenue from rendering of services amounted to approximately S$22.6 million, S$28.2 million, S$25.7 million and S$7.3 million for FY2009, FY2010, FY2011 and 1Q2012 respectively.

Our revenue may be affected by, *inter alia*, the following factors:

(a) Regulatory changes in the cord blood banking industry;

(b) Emergence of alternative sources of stem cells which could render the technology of cord blood banking irrelevant;

(c) Increasing competition from other cord blood banks; and

(d) Increase in matching cord blood units donated by the public to the public cord blood banks in respect of patients in need of transplants.

Please refer to the section titled "Risk Factors" of this Prospectus for other factors which may affect our revenue.

Cost of sales

Cost of sales pertains to expenses incurred in processing and storage of cord blood. The main components are direct material costs, costs of various tests carried out, direct labour costs which include salaries and other related costs of laboratory personnel and other overheads such as depreciation of laboratory equipment and laboratory rental expenses. Cost of sales amounted to approximately S$6.2 million, S$7.6 million, S$7.4 million and S$2.2 million and accounted for approximately 27.4%, 27.2%, 28.9% and 30.8% of our total revenue for FY2009, FY2010, FY2011 and 1Q2012 respectively.

Gross profit and gross profit margin

Gross profit is determined after deducting cost of sales incurred in the processing and storage of cord blood from our revenue.

Our Company's overall gross profit margin was 72.6%, 72.8%, 71.1% and 69.2% for FY2009, FY2010, FY2011 and 1Q2012 respectively.

Other operating income

Other operating income comprises mainly of government grants, sale of consumables to related companies, consultancy income and other miscellaneous income. Other operating income amounted to approximately S$0.2 million, S$0.1 million, S$0.4 million and S$0.05 million and accounted for approximately 0.7%, 0.5%, 1.4% and 0.6% of our total revenue for FY2009, FY2010, FY2011 and 1Q2012 respectively.

Selling and marketing expenses

Selling and marketing expenses comprise mainly of expenses incurred in relation to advertising and promotional activities, salaries of marketing personnel, other marketing related expenses and commission expenses. Selling and marketing expenses amounted to approximately S$3.7 million, S$5.7 million, S$5.9 million and S$1.7 million and accounted for approximately 16.4%, 20.1%, 22.9% and 23.8% of our total revenue for FY2009, FY2010, FY2011 and 1Q2012 respectively.

Administrative expenses

Administrative expenses comprise mainly of salaries, costs of management consultancy services relating to various aspects of our operations such as finance and administration, depreciation of office equipment and rental expenses. Administrative expenses amounted to approximately S$5.8 million, S$6.6 million, S$5.5 million and S$1.8 million and accounted for approximately 25.5%, 23.3%, 21.6% and 25.4% of our total revenue for FY2009, FY2010, FY2011 and 1Q2012 respectively.

Share of results of associate

Share of results of associate refers to share of results from our Company's 10% equity stake in China Stem Cells (South) Company Limited which was acquired in 30 October 2009. China Stem Cells (South) Company Limited holds the entire equity interest in Guangzhou Tianhe Nuoya, a company engaged in the business of providing cord blood banking services in Guangdong. In September 2010, the equity interest in China Stem Cells (South) Company Limited was transferred from CBB to Cordlife Hong Kong. Cordlife Hong Kong was then transferred to our Company in the same year. Our Company's 10% equity stake in China Stem Cells (South) Company Limited is equity accounted for as our Company has one out of three board seats in China Stem Cells (South) Company Limited. Accordingly, our Company has significant influence over China Stem Cells (South) Company Limited.

Finance income

Finance income mainly relates to interest income from term deposits and non-current trade receivables recognised using the effective interest method. Non-current trade receivables represents Cord Blood Banking Services revenues receivable under the annual, five-year and ten-year plans that have yet to be billed to the customer. The non-current trade receivables are carried on the balance sheet at amortised cost, that is, at the present value of the series of expected future cash inflows from customer payments under the annual, five-year and ten-year plans, less impairment. For the Periods Under Review, the expected future cash inflows from customer payments have been discounted to their present value using market determined risk adjusted discount rates for the following entities in our Group:

— Cordlife Group Limited — 10%

— Cordlife (Hong Kong) Limited — 14%

The difference between the present value of the expected future cash inflows from customer payments, and the actual total contracted amount that customers pay for under the annual, five-year or ten-year plans (as the case may be) is recognised as interest income over the period of expected future cash inflows from customer payments. The amount of interest income to recognise in each year for each customer under the annual, five-year or ten-year plan is calculated using the effective interest method.

Finance income amounted to approximately S$0.6 million, S$1.0 million, S$1.1 million and S$0.3 million and accounted for approximately 2.9%, 3.6%, 4.2% and 3.4% of our total revenue for FY2009, FY2010, FY2011 and 1Q2012 respectively.

Finance costs

Finance costs relate mainly to interest expense on bank overdrafts. Finance costs amounted to S$25,000, S$46,000, S$43,000 and nil and accounted for approximately 0.1%, 0.2%, 0.2% and nil of our total revenue in FY2009, FY2010, FY2011 and 1Q2012 respectively.

Taxation

Our overall effective tax rate was approximately 15.2%, 16.3%, 17.7% and 17.1% for FY2009, FY2010, FY2011 and 1Q2012 respectively. The effective tax rate was computed using the profit before income tax and share of results of associate. The Singapore and Hong Kong statutory corporate tax rates for FY2009, FY2010, FY2011 and 1Q2012 were 17.0% and 16.5% respectively. Our effective tax rates for FY2009 and FY2010 were lower than the Singapore statutory corporate tax rates due mainly to non-taxable income relating to government grants as well as the Singapore statutory stepped income exemption. For FY2011 and 1Q2012, our effective tax rate was higher than the Singapore statutory corporate tax rate due to non-deductible expenses and provision of prior year taxes, which were partially offset by the Singapore statutory stepped income exemption.

RESULTS OF OPERATIONS

Breakdown of our past performance by geographical markets

Revenue attributable to the North Asia segment pertains to customers located in Hong Kong, China and Macau. Revenue attributable to the South Asia segment consists of customers located in Singapore, the Philippines and Indonesia. For the avoidance of doubt, customers from the Philippines and Indonesia who store their cord blood with us in our Singapore facility contract with our Company directly and are thus considered to be our customers. Individuals who choose to store their cord blood in the Philippines and Indonesia, as the case may be, are considered customers of the CBB Group. However, since all our customers located in Hong Kong and Macau store their cord blood in Hong Kong (and are not offered the option of storage in Singapore) and all our customers located in Singapore, the Philippines and Indonesia store their cord blood in Singapore (and are not offered the option of storage in Hong Kong), the revenues currently recorded based on the geographical location of where the customers are located would inadvertently be similar to the revenue recorded based on where the cord blood units are stored.

This analysis should be read in conjunction with the "Independent Auditors' Report on Combined Financial Statements for the Financial Years ended 30 June 2009, 2010 and 2011" and the "Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" as set out in Appendices A and B to this Prospectus and the related notes elsewhere in this Prospectus.

A breakdown of our revenue and profit by geography for FY2009, FY2010, FY2011, 1Q2011 and 1Q2012 are set out below.

Revenue

	← Audited				→		← Unaudited		→	
	FY2009		**FY2010**		**FY2011**		**1Q2011**		**1Q2012**	
	S$'000	**(%)**	**S$'000**	**(%)**	**S$'000**	**(%)**	**S$'000**	**(%)**	**S$'000**	**(%)**
North Asia	5,741	25.4	7,873	28.0	6,459	25.2	1,623	26.1	1,992	27.4
South Asia	16,843	74.6	20,290	72.0	19,214	74.8	4,591	73.9	5,280	72.6
Total	**22,584**	**100.0**	**28,163**	**100.0**	**25,673**	**100.0**	**6,214**	**100.0**	**7,272**	**100.0**

Profit before income tax[1]

	Audited						Unaudited			
	FY2009		FY2010		FY2011		1Q2011		1Q2012	
	S$'000	(%)	S$'000	(%)	S$'000	(%)	S$'000	(%)	S$'000	(%)
North Asia[2]	784	10.2	810	8.2	1,586	16.1	112	4.7	346	14.3
South Asia	6,893	89.8	9,039	91.8	8,250	83.9	2,292	95.3	2,077	85.7
Total	**7,677**	**100.0**	**9,849**	**100.0**	**9,836**	**100.0**	**2,404**	**100.0**	**2,423**	**100.0**

Note:

(1) This relates to profit before income tax for the two segments.

(2) This includes our Group's share of results in our associate, Guangzhou Tianhe Nuoya.

REVIEW OF PAST PERFORMANCE

FY2009 vs FY2010

Revenue from the rendering of services

Revenue from the rendering of services increased by approximately S$5.6 million or 24.8% from S$22.6 million in FY2009 to S$28.2 million in FY2010. This increase was mainly attributable to the increase in the number of client deliveries from approximately 6,200 in FY2009 to 7,650 in FY2010. Out of the increase of approximately 1,450 client deliveries from FY2009 to FY2010, approximately 500 was attributable to North Asia while approximately 950 was attributable to South Asia. The increase in client deliveries was a result of increased advertising and promotional efforts, which in turn led to greater market awareness of the benefits of cord blood banking. The increase in awareness of the benefits of cord blood banking are attributed to the greater number of educational programmes of our Company and the industry in educating the public with respect to the benefits of cord blood banking.

Cost of sales

Cost of sales increased by approximately S$1.4 million or 22.6% from S$6.2 million in FY2009 to S$7.6 million in FY2010, in line with the increase in our revenue from the rendering of services as a result of the increase in the number of client deliveries.

Gross profit and gross profit margin

Gross profit increased by approximately S$4.1 million or 25.0% from S$16.4 million in FY2009 to S$20.5 million in FY2010. The increase in gross profit was mainly as a result of the overall increase in the number of client deliveries in FY2010. Our gross profit margin increased from approximately 72.6% in FY2009 to 72.8% in FY2010.

Other operating income

Other operating income decreased by S$9,000 or 5.9% from S$152,000 in FY2009 to S$143,000 in FY2010. This decrease was mainly due to a one-off write back of approximately S$58,000 of payables due to a third party in FY2009, which did not recur in FY2010. The write back was due to the third party having been liquidated by 2009. This decrease was partially offset by an increase in sale of consumables to subsidiaries of CBB located in Indonesia, India and the Philippines, namely PT Cordlife Indonesia, Cordlife India and Cordlife Medical Phils., Inc. respectively, and the income from the provision of a one-off consultancy service of approximately S$63,000, which relates to quality assurance consulting services that was provided to Beijing Jiachenghong Biological Technologies Co. Ltd, who is the operator of the Beijing Cord Blood Bank and a wholly-owned subsidiary of China Cord Blood.

Selling and marketing expenses

Selling and marketing expenses increased by S$2.0 million or 54.1% from S$3.7 million in FY2009 to S$5.7 million in FY2010. Out of the increase of S$2.0 million in selling and marketing expenses, S$1.4 million was attributable to an increase in advertising and promotional activities while S$0.5 million was attributable to an increase in sales and marketing personnel and commission expenses. Television commercials were run in the North Asia market for the first time, which contributed to the significant increase in advertising costs. These additional promotional activities had been strategically planned to increase existing market share. Sales and marketing personnel increased from 34 in FY2009 to 39 in FY2010.

Administrative expenses

Administrative expenses increased by S$0.8 million or 13.8% from S$5.8 million in FY2009 to S$6.6 million in FY2010. The increase was mainly due to an increase in staff costs of approximately S$0.6 million as a result of increased administrative and finance personnel in FY2010. It was also due to an increase in office rental expense and depreciation of approximately S$0.1 million and S$0.1 million respectively, as a result of a move to our new facility premises in Hong Kong in line with the expansion of the North Asia operations to cater to the growth in demand for our Cord Blood Banking Services.

Share of results in associate

Share of results in associate for FY2010 amounted to S$0.6 million from our Company's 10% equity stake in China Stem Cells (South) Company Limited. This represented the share of results in associate for the period from 1 January 2010 to 30 June 2010.

Finance income

Finance income increased by approximately S$0.4 million or 66.7% from S$0.6 million in FY2009 to S$1.0 million in FY2010 mainly due to an increase in interest income from term deposits as well as non-current trade receivables.

Finance costs

Finance costs increased by S$21,000 or 84% from S$25,000 in FY2009 to S$46,000 in FY2010 mainly due to higher bank overdraft drawn down during FY2010 for working capital purposes. Greater working capital was required as there was an increase in the number of Singaporean customers who used their Child Development Accounts to pay for our Cord Blood Banking Services. The use of the Child Development Account extended our cash cycles and as such, there was a need for higher working capital requirements in FY2010.

Profit before income tax

As a result of the foregoing, our profit before income tax increased by approximately S$2.2 million or 28.6% from S$7.7 million in FY2009 to S$9.9 million in FY2010.

FY2010 vs FY2011

Revenue from rendering of services

Revenue from rendering of services decreased by approximately S$2.5 million or 8.9% from S$28.2 million in FY2010 to S$25.7 million in FY2011. The decrease in revenue was due to a decrease in the number of client deliveries from approximately 7,600 in FY2010 to 6,600 in FY2011. Out of the decrease of approximately 1,000 client deliveries from FY2010 to FY2011, 450 was attributable to North Asia while 550 was attributable to South Asia. The decrease was mainly attributable to a decline in client deliveries caused by the leading-on effects arising from the deteriorating global economic condition. In addition, our Company believes that to a lesser extent, the increased competition in North Asia, through the aggressive mass media and public relation activities of our main competitor, also contributed to the decrease in North Asia client deliveries and hence our revenue. Our Company took proactive steps to increase market awareness and noted moderate recovery in the number of client deliveries in its North Asia operations, towards the end of the last quarter of FY2011.

Cost of sales

Cost of sales decreased by approximately S$0.2 million or 2.6% from S$7.6 million in FY2010 to S$7.4 million in FY2011, partially due to the decrease in our revenue from rendering of services. The decrease in cost of sales was to a lesser extent than the decrease in revenue as there are fixed cost components within the cost of sales, which are mainly laboratory rental cost and the cost of laboratory personnel. In addition, the amount of fixed cost that is within the cost of sales had increased marginally due to an increase in the cost of laboratory personnel and laboratory rental in Cordlife Hong Kong in FY2011.

Gross profit and gross profit margin

Gross profit decreased by approximately S$2.3 million or 11.2% from S$20.5 million in FY2010 to S$18.2 million in FY2011. This was mainly due to the decline in client deliveries in North Asia. Our gross profit margin decreased marginally from 72.8% in FY2010 to 71.1% in FY2011 due to a decrease of approximately 3.0% in the revenue contribution from our North Asia segment as a percentage of our total revenue. As the gross profit margin was marginally greater in North Asia in FY2010, this led to a marginal decline of 1.7% in gross profit margin from FY2010 to FY2011. The gross profit margin in North Asia is higher due mainly to a higher percentage of North Asian customers opting for the lump-sum payment plans as compared to South Asia. Lump-sum payment plans have a higher gross profit margin as compared to the other payment plans as revenue is recognised at present value, and given that payments are received upfront for lump-sum payment plans, the present value is higher than as compared to other payment plans where payments are received over a period of time as reflected in the section titled "History and Business — Payment Structure" of the Prospectus. Another factor contributing to the marginal decline was an increase in rental cost in Cordlife Hong Kong, which affected the gross profit margin in North Asia, as Cordlife Hong Kong had set up a new facility in FY2010. As rental cost allocated to the laboratory area forms a part of cost of sales, while rental cost allocated to the office area is part of administrative expenses, the increase in rental cost would impact gross profit margin negatively.

Other operating income

Other operating income increased by S$217,000 or 151.7%, from S$143,000 in FY2010 to S$360,000 in FY2011. This was mainly due to an increase in government grants received in relation to the Executive Training Program and Capability Development Scheme by SPRING Singapore.

Selling and marketing expenses

Selling and marketing expenses increased by S$0.2 million or 3.5% from S$5.7 million in FY2010 to S$5.9 million in FY2011. This increase was mainly due to an increase in number of sales and marketing personnel as well as an increase in public relations consultancy fee incurred by our Company as part of our strategy to raise awareness of our Cord Blood Banking Services in North Asia. This increase was partially offset by a decrease in advertising and promotional expenses.

Administrative expenses

Administrative expenses decreased by S$1.1 million or 16.7% from S$6.6 million in FY2010 to S$5.5 million in FY2011. This decrease was mainly attributable to a decrease in staff developmental costs, offset by an increase in staff costs due to increased number of administrative and finance personnel in FY2011.

Share of results in associate

Share of results in associate increased by S$1.1 million or 183.3% from S$0.6 million in FY2010 to S$1.7 million in FY2011. The amount of S$0.6 million in FY2010 represented the share of results of associate from 1 January 2010 to 30 June 2010 as compared to the amount of S$1.7 million in FY2010 which represented the share of results of operations from 1 July 2010 to 30 June 2011. Based on our Company's understanding and the annual report of China Cord Blood, the increase in share of profits from our Company's shareholding in China Stem Cells (South) Company Limited was due to the growth of Guangzhou Tianhe Nuoya's business as new customers signed up each year in addition to existing customers. The total clients in Guangzhou Tianhe Nuoya had increased by 54.7% from FY2010 to FY2011.

Finance income

Finance income increased by approximately S$0.1 million or 10% from S$1.0 million in FY2010 to S$1.1 million in FY2011 mainly due to an increase in interest income from non-current trade receivables of S$138,000 which was partially offset by a decrease in interest income from term deposits of S$48,000.

Finance costs

Finance costs decreased by S$3,000 or 6.5% from S$46,000 in FY2010 to S$43,000 in FY2011 mainly due to a decrease in bank overdraft drawn down during FY2011.

Profit before income tax

As a result of the foregoing, our profit before income tax decreased by S$14,000 or 0.1% from FY2011 to FY2010.

1Q2011 vs 1Q2012

Revenue from rendering of services

Revenue from rendering of services increased by approximately S$1.1 million or 17.7% from S$6.2 million in 1Q2011 to S$7.3 million in 1Q2012. The increase in revenue was driven by an increase in the number of client deliveries, from approximately 1,700 in 1Q2011 to 2,000 in 1Q2012 and the provision of cord tissue banking services in Hong Kong which commenced in March 2011. Out of the 300 increase in client deliveries from 1Q2011 to 1Q2012, 100 is attributable to North Asia while 200 is attributable to South Asia. The increase in client deliveries in both North Asia and South Asia was due to increased awareness as a result of an increase in marketing and promotional activities undertaken by our Company. The provision of cord tissue banking services increased our revenue in respect of 1Q2012 by approximately S$0.3 million or approximately 4.1% of our 1Q2012 revenue. As Cordlife Hong Kong only launched the provision of cord tissue banking services in March 2011, there was no revenue derived from the provision of such services in respect of 1Q2011.

Cost of sales

Cost of sales increased by approximately S$0.3 million or 15.8% from S$1.9 million in 1Q2011 to S$2.2 million in 1Q2012, in line with our increase in revenue from rendering of services and an increase in the cost of maternal blood testing of approximately S$120 or 160% per cord blood unit, which was required due to a change in the AABB standards. In aggregate, the increase in the cost of maternal blood testing amounted to approximately S$33,000 for 1Q2012. Notwithstanding the fact that the type of diseases tested for has not changed pursuant to the revised AABB standards, the increase of such cost occurred as a result of the more sensitive test that our Group is required to adopt in respect of our maternal blood testing pursuant to the revised AABB standards. These additional costs of maternal blood testing were not passed onto clients as they had contracted with our Company prior to the increase in service fees in September 2011 to include the additional cost of testing.

Gross profit and gross profit margin

Gross profit increased by approximately S$0.6 million or 13.6% from S$4.4 million in 1Q2011 to S$5.0 million in 1Q2012. This was mainly due to the increase in new client deliveries and the provision of cord tissue banking services for clients in Hong Kong.

Gross profit margin decreased marginally from 70.2% in 1Q2011 to 69.2% in 1Q2012, due mainly to the increase in the costs of testing required due to a change in the AABB standards.

Other operating income

Other operating income decreased by S$50,000 or 52.6%, from approximately S$95,000 in 1Q2011 to S$45,000 in 1Q2012. This decrease was due to a one-time grant received from SPRING Singapore in 1Q2011 that did not recur in 1Q2012.

Selling and marketing expenses

Selling and marketing expenses increased by S$0.4 million or 30.8% from S$1.3 million in 1Q2011 to S$1.7 million in 1Q2012. The increase was due to an increase in client acquisition which resulted in an increase in commission expenses, an increase in marketing activities to promote the customers' awareness and an increase in the sales and marketing headcount.

Administrative expenses

Administrative expenses increased by approximately S$0.6 million or 50.0% from approximately S$1.2 million in 1Q2011 to S$1.8 million in 1Q2012. This increase was mainly attributable to an increase in headcount of approximately S$0.1 million, IPO expenses of approximately S$0.3 million and other costs that are related to preparing our Company for listing on the SGX-ST of approximately S$0.1 million.

Share of results in associate

Share of results in associate increased by S$82,000 or 25.5% from S$322,000 in 1Q2011 to S$404,000 in 1Q2012. Based on our Company's understanding and the annual report of China Cord Blood, the increase in share of profits from our Company's shareholding in China Stem Cells (South) Company Limited was due to the increase in business operations of Guangzhou Tianhe Nuoya. The total clients in Guangzhou Tianhe Nuoya had increased by 47.4% from 1Q2011 to 1Q2012.

Finance income

Finance income increased by approximately S$63,000 or 33.7% from S$187,000 in 1Q2011 to S$250,000 in 1Q2012 mainly due to an increase in interest income from non-current trade receivables of approximately S$64,000.

Finance costs

Finance costs decreased by S$31,000 or 100% from S$31,000 in 1Q2011 to nil in 1Q2012 mainly due to a decrease in bank overdraft drawn down during 1Q2012.

Profit before income tax

As a result of the foregoing, our profit before income tax decreased by approximately S$0.2 million or 8.3% from S$2.4 million in 1Q2011 to S$2.2 million in 1Q2012.

REVIEW OF FINANCIAL POSITION

Non-current assets

Non-current assets amounted to approximately S$42.5 million or 76.7% of total assets and S$44.5 million or 76.5% of total assets as at 30 June 2011 and 30 September 2011 respectively. Non-current assets comprise investment in associate, property, plant and equipment, intangible assets, non-current trade receivables and deposits.

Investment in associate

Investment in associate amounted to approximately S$15.1 million or 27.3% of total assets and S$16.1 million or 27.7% of total assets as at 30 June 2011 and 30 September 2011 respectively. Investment in associate relates to our Company's 10% equity stake in China Stem Cells (South) Company Limited which was acquired in 30 October 2009. The increase in investment in associate from 30 June 2011 was due to the increase in profits recorded by China Stem Cells (South) Company Limited during 1Q2012.

Property, plant and equipment

Property, plant and equipment amounted to approximately S$4.3 million or 7.8% of total assets and S$4.6 million or 7.9% of total assets as at 30 June 2011 and 30 September 2011 respectively. Property, plant and equipment comprise mainly furniture and fittings, laboratory equipment, office equipment, motor vehicles, leasehold improvements and construction-in-progress. The increase in property, plant and equipment was mainly attributable to construction-in-progress of approximately S$0.4 million relating to the properties at A'Posh Bizhub.

Intangible assets

Intangible assets comprise computer software which amounted to S$11,000 and S$23,000 as at 30 June 2011 and 30 September 2011 respectively.

Non-current trade receivables

Non-current trade receivables amounted to approximately S$22.9 million or 41.3% of total assets and S$23.5 million or 40.4% of total assets as at 30 June 2011 and 30 September 2011 respectively. Non-current trade receivables represents Cord Blood Banking Services revenue receivable under annual, five year and ten year 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. The increase in our non-current trade receivables of approximately S$0.6 million from 30 June 2011 was mainly due to the cumulative effect of the number of client deliveries in 1Q2012. For more details on the termination rights of our customers, please refer to the section titled "Risk Factors — Our financial condition and results of operations may be materially adversely affected if a significant number of our customers who choose our long-term payment plans default on their payment or choose to terminate their contracts" of this Prospectus. For the avoidance of doubt, both current and non-current trade receivables (if applicable) will be written-down in the event of default or early termination by our customer due to retrieval of the cord blood unit for use or transfer of our storage facility. Please refer to the section titled "Credit Policy" of this Prospectus for the amount of write-downs during the Periods Under Review.

Deposits

Rental deposits with our landlords amounted to approximately S$0.2 million or 0.4% of total assets as at 30 June 2011 and 30 September 2011.

Current assets

Current assets amounted to approximately S$12.9 million or 23.3% of total assets and S$13.7 million or 23.5% of our total assets as at 30 June 2011 and 30 September 2011 respectively. Current assets comprise cash and cash equivalents, other financial assets, trade receivables, other receivables, prepayments and inventories.

Cash and cash equivalents

Cash and cash equivalents amounted to approximately S$4.0 million or 7.2% of total assets and S$4.7 million or 8.2% of total assets as at 30 June 2011 and 30 September 2011 respectively. The increase in cash and cash equivalents of approximately S$0.7 million was due mainly to generation of cash from operations.

Other financial assets

Other financial assets amounted to approximately S$1.3 million or 2.3% of total assets and S$1.3 million or 2.2% of total assets as at 30 June 2011 and 30 September 2011 respectively. Other financial assets comprise mainly term deposits placed with a bank with a maturity period of more than 3 months.

Trade receivables

Trade receivables amounted to approximately S$6.8 million or 12.3% of total assets and S$6.1 million or 10.5% of total assets as at 30 June 2011 and 30 September 2011 respectively.

Other receivables

Other receivables amounted to approximately S$0.3 million or 0.5% of total assets and S$0.8 million or 1.3% of total assets as at 30 June 2011 and 30 September 2011 respectively. Other receivables comprise mainly deposits, tax recoverable and amount due from the CBB Group. The increase was mainly due to an increase in the amount due from the CBB Group of approximately S$0.4 million. The CBB Group collects customer payments on our behalf pursuant to the arrangements under the Co-operation Agreement. As at the Latest Practicable Date, the S$0.4 million owing from the CBB Group has been settled.

Prepayments

Prepayments amounted to approximately S$0.3 million or 0.5% of total assets and S$0.4 million or 0.8% of total assets as at 30 June 2011 and 30 September 2011 respectively. The increase was mainly attributable to prepaid professional fees in connection with the Invitation in 1Q2012.

Inventories

Inventories amounted to approximately S$0.2 million or 0.4% of total assets and S$0.3 million or 0.5% of total assets as at 30 June 2011 and 30 September 2011 respectively. Inventories comprise mainly Sepax® separation kits, triple bags and overwrap bags used in processing and storage of stem cells.

Current liabilities

Current liabilities amounted to approximately S$8.0 million or 54.1% of total liabilities and S$7.5 million or 49.2% of total liabilities as at 30 June 2011 and 30 September 2011 respectively. Current liabilities comprise trade and other payables, deferred revenue, tax payable, finance lease liabilities and interest-bearing borrowings.

Trade and other payables

Trade and other payables amounted to approximately S$2.3 million or 15.5% of total liabilities and S$2.3 million or 15.4% of total liabilities as at 30 June 2011 and 30 September 2011 respectively. Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Deferred revenue

Deferred revenue amounted to approximately S$3.7 million or 25.0% of total liabilities and S$3.0 million or 20.1% of total liabilities as at 30 June 2011 and 30 September 2011 respectively. Deferred revenue represents revenue received in advance for services to be rendered under cord blood banking and umbilical cord tissue banking contracts. The decrease in deferred revenue was mainly attributable to a decrease in the number of customers who have signed up but not yet delivered as at 30 September 2011 as compared to 30 June 2011.

Tax payable

Tax payable amounted to approximately S$2.0 million or 13.5% of total liabilities and S$2.0 million or 13.2% of total liabilities as at 30 June 2011 and 30 September 2011 respectively.

Finance lease liabilities

Finance lease liabilities amounted to S$15,000 as at 30 June 2011 and 30 September 2011.

Interest-bearing borrowings

Interest-bearing borrowings amounted to approximately S$47,000 or 0.3% of total liabilities and S$61,000 or 0.4% of total liabilities as at 30 June 2011 and 30 September 2011 respectively. The interest-bearing borrowings relate to the bank loan secured to acquire the properties at A'Posh Bizhub for our own business use and they are currently under construction. The increase is due to the current portion of additional loan drawn down during 1Q2012.

Non-current liabilities

Non-current liabilities amounted to approximately S$6.8 million or 45.9% of total liabilities and S$7.7 million or 50.8% of total liabilities as at 30 June 2011 and 30 September 2011 respectively. Non-current liabilities comprise non-current deferred revenue, non-current finance lease liabilities, deferred tax liabilities and non-current interest-bearing borrowings.

Non-current deferred revenue

Non-current deferred revenue amounted to approximately S$5.9 million or 39.9% of total liabilities and S$6.4 million or 42.3% of total liabilities as at 30 June 2011 and 30 September 2011 respectively. Non-current deferred revenue represents the non-current portion of the revenue received in advance for services to be rendered under cord blood banking and umbilical cord tissue banking contracts. Non-current deferred revenue increased mainly due to the cumulative effect of the number of client deliveries in 1Q2012.

Non-current finance liabilities

Non-current finance liabilities amounted to S$6,000 and S$3,000 as at 30 June 2011 and 30 September 2011 respectively.

Deferred tax liabilities

Deferred tax liabilities amounted to approximately S$0.1 million or 0.7% of total liabilities and S$0.1 million or 0.9% of total liabilities as at 30 June 2011 and 30 September 2011 respectively.

Non-current interest-bearing borrowings

Non-current interest-bearing borrowings amounted to approximately S$0.8 million or 5.4% of total liabilities and S$1.2 million or 7.6% of total liabilities as at 30 June 2011 and 30 September 2011 respectively. Non-current interest-bearing borrowings relate to the non-current portion of the bank loan secured to acquire the properties at A'Posh Bizhub for our own business use and properties are currently under construction. The increase in non-current interest-bearing borrowings of approximately S$0.4 million was mainly due to the drawdown of additional loans during 1Q2012.

Capital and reserves

Capital and reserves amounted to approximately S$40.6 million and S$43.0 million as at 30 June 2011 and 30 September 2011 respectively. Capital and reserves comprises share capital, accumulated profit and reserves. Reserves consist of capital reserve, merger reserve, acquisition reserve and foreign currency translation reserve. The increase in capital and reserves of approximately S$2.4 million was mainly due to an increase in our accumulated profit of approximately S$1.8 million and an increase of foreign currency translation reserve of approximately S$0.6 million.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

Our Company finances its operations through both internal and external sources. Internal sources of funds refer to cash generated from our operating activities. External sources of funds comprise mainly capital investment from shareholders and borrowings from financial institutions. The principal uses of these cash sources are mainly for capital expenditures, working capital requirements, operating expenses, repayment of finance lease liabilities and bank borrowings.

As at the date of lodgement of this Prospectus, our Directors are of the view that the working capital available to our Company is sufficient for our present requirements after taking into account our Group's internal resources, cash flow generated from operating activities, and our banking facilities.

In coming to this view, our Directors had considered, among other things, the following points:

(a) the net cash generated by operating activities was S$8.0 million in FY2011, which is largely in line with that in FY2010 of S$8.2 million; and

(b) the net decrease in cash and cash equivalents of $3.6 million in FY2011 was mainly attributable to cash outflow from financing of S$7.3 million, which is in turn attributable to a one-off repayment of loans to related and holding companies. Such loans arose as a result of, amongst others, the restructuring exercises that took place in line with the demerger; for instance, the acquisition of Cordlife Hong Kong from CBB and the acquisition of 10% of China Stem Cells (South) Company Limited which holds Guangzhou Tianhe Nuoya from CBB. As such settlements between our Company and our related companies were made in preparation for our Company's listing and the loans were in relation to a one-off demerger exercise, such repayments are not expected to recur on a yearly basis.

Please refer to the section titled "Capitalisation and Indebtedness" of this Prospectus for further details.

As at the Latest Practicable Date, our Company had total banking facilities of S$6.5 million of which S$4.8 million has not been utilised.

The following table sets out a summary of our Company's cash flow for the Periods Under Review.

	Audited			Unaudited	
(S$'000)	**FY2009**	**FY2010**	**FY2011**	**1Q2011**	**1Q2012**
Net cash provided by operating activities	3,822	8,290	8,035	1,912	875
Net cash used in investing activities	(3,216)	(16,230)	(4,366)	(197)	(493)
Net cash provided by/(used in) financing activities	1,268	9,474	(7,279)	(6,542)	391
Net increase/(decrease) in cash and cash equivalents at the end of the period	1,874	1,534	(3,610)	(4,827)	773
Cash and cash equivalents at the beginning of the year	3,901	5,916	7,338	7,338	3,995
Effects of exchange rate changes on the balance of cash and cash equivalents	141	(112)	267	29	(25)
Cash and cash equivalents at the end of the year	5,916	7,338	3,995	2,540	4,743

FY2009

In FY2009, we recorded a net cash inflow from operating activities of S$3.8 million which comprised mainly cash generated from operating activities before working capital changes of S$8.7 million, working capital outflow of S$4.0 million and tax payments of S$0.9 million.

Net working capital outflow of approximately S$4.0 million was due to the following:

(a) Increase in trade receivables of approximately S$8.4 million;

(b) Increase in other receivables, prepayments and inventories of approximately S$0.3 million;

(c) Partially offset by an increase in deferred revenue of approximately S$4.2 million from FY2009 client deliveries on one-time lump-sum payment plans; and

(d) Partially offset by an increase in trade and other payables of approximately S$0.4 million.

Net cash outflow from investing activities was approximately S$3.2 million, which was mainly due to the following:

(a) Purchase of property, plant and equipment of approximately S$0.4 million, which was mainly due to the purchase of laboratory equipment such as the Sepax® devices, computer-controlled freezers and storage tanks, office equipment, furniture and fittings for our existing facility at Science Park II in Singapore in FY2009; and

(b) Investment in term deposits of approximately S$2.8 million.

Net cash inflow from financing activities was approximately S$1.3 million, which was mainly due to the following:

(a) Increase in amounts owing to holding and related companies of approximately S$1.9 million. The holding and related companies refer to the companies within the CBB Group and such amounts owing to them relate to the payments that the CBB Group had from time to time made on behalf of our Group in respect of fixed assets and certain travelling expenses, details of which have been disclosed in the section titled "Interested Person Transactions — Present Interested Person Transactions which would Cease Prior to or Upon our Listing on the Main Board of the SGX-ST — Reimbursement costs between the CBB Group and our Group" of this Prospectus; and

(b) Partially offset by an increase in amounts owing by holding and related companies of approximately S$0.6 million. The increase was mainly due to receipts from customers collected by related companies on our behalf in FY2009 in relation to the transactions as set out in the section titled "Interested Person Transactions — On-going Transactions — Collection payments between the CBB Group and our Group" of this Prospectus.

As at 30 June 2009, our cash and cash equivalents amounted to approximately S$5.9 million.

FY2010

In FY2010, we recorded a net cash inflow from operating activities of S$8.3 million which comprised mainly cash generated from operating activities before working capital changes of S$9.8 million, working capital inflow of S$68,000, net interest receipts of S$0.1 million and tax payments of S$1.7 million.

Net working capital inflow of approximately S$68,000 was due to the following:

(a) Overall increase in trade and other payables of approximately S$0.5 million;

(b) Increase in deferred revenue of approximately S$2.0 million arising from FY2010 client deliveries on one-time lump-sum payment plans. The number of client deliveries who signed up for one-time lump-sum payment plans as compared to the total client deliveries in FY2010 was 22.2%;

(c) Partially offset by an increase in trade receivables of approximately S$2.2 million; and

(d) Partially offset by an increase in other receivables, prepayments and inventories of approximately S$0.3 million.

Net cash outflow from investing activities was approximately S$16.2 million, which was mainly due to the following:

(a) Purchase of property, plant and equipment of approximately S$1.6 million was due to the purchase of laboratory equipment, office equipment, furniture fittings, motor vehicle and leasehold improvement for our facility in Hong Kong in FY2010;

(b) Acquisition of non-controlling interests of approximately S$3.5 million due to the acquisition of 49.0% equity interest in Cordlife Hong Kong completed in May 2010. For further details, please refer to the section titled "History and Business — History — Internal Restructuring" section of this Prospectus;

(c) Acquisition of interest in associate of approximately S$13.9 million due to the investment of 10.0% equity stake in China Stem Cells (South) Company Limited, which holds the entire equity interest in Guangzhou Tianhe Nuoya. For further details, please refer to the section titled "Past Interested Person Transactions — Acquisition of China Stem Cells (South) Company Limited" of this Prospectus; and

(d) Partially offset by the exit of the term deposit position of approximately S$2.8 million.

Net cash inflow from financing activities was approximately S$9.5 million, which was mainly due to the following:

(a) Increase in amounts owing to holding and related companies of approximately S$9.0 million. The increase was mainly due to funds obtained from our holding company to finance the acquisition of 10% equity stake in China Stem Cells (South) Company Limited; and

(b) Partially offset by a decrease in amounts owing by holding and related companies of approximately S$0.5 million. The decrease was mainly due to settlement of debts during FY2010.

As at 30 June 2010, our cash and cash equivalents amounted to approximately S$7.3 million.

FY2011

In FY2011, we recorded a net cash inflow from operating activities of S$8.0 million which comprised mainly cash generated from operating activities before working capital changes of S$8.7 million, working capital inflow of S$0.6 million and tax payments of S$1.4 million.

Net working capital inflow of approximately S$0.6 million was due to the following:

(a) Increase in deferred revenue of approximately S$1.6 million arising from FY2011 client deliveries on one-time lump-sum payment plans. The number of client deliveries who signed up for one-time lump-sum payment plans as compared to total client deliveries in FY2011 was 26.2%;

(b) Decrease in other receivables, prepayments and inventories of approximately S$0.2 million;

(c) Partially offset by an increase in trade receivables of approximately S$1.1 million; and

(d) Decrease in trade and other payables of S$13,000.

Net cash outflow from investing activities was approximately S$4.4 million, which was due to the following:

(a) Purchase of property, plant and equipment of approximately S$3.1 million, which was mainly due to the acquisition of properties at A'Posh Bizhub for own business use and the properties that are currently under construction; and

(b) Investment in term deposits of approximately S$1.3 million.

Net cash outflow from financing activities was approximately S$7.3 million, which was mainly due to the following:

(a) Decrease in amounts owing to holding and related companies of approximately S$12.6 million. The decrease was mainly due to repayment of debts during FY2011;

(b) Partially offset by an increase in interest-bearing borrowings of approximately S$0.8 million which was mainly used for the acquisition of properties at A'Posh Bizhub for own business use and the properties that are currently under construction; and

(c) Partially offset by a decrease in amounts owing by holding and related companies of approximately S$4.5 million. The decrease was mainly due to repayment of debts during FY2011.

As at 30 June 2011, our cash and cash equivalents amounted to approximately S$4.0 million.

1Q2012

In 1Q2012, we recorded a net cash inflow from operating activities of S$0.9 million which comprised mainly cash generated from operating activities before working capital changes of S$1.9 million (after deducting S$0.3 million of IPO expenses), working capital outflow of S$0.7 million and tax payments of S$0.3 million.

Net working capital outflow of approximately S$0.7 million was due to the following:

(a) Increase in other receivables and prepayments of approximately S$0.6 million which relate to an amount owing by PT Cordlife Indonesia, who collect monies on our behalf of approximately S$0.4 million and prepayments related to the listing of approximately S$0.1 million;

(b) Increase in inventories of approximately S$0.1 million;

(c) Decrease in other payables S$0.1 million;

(d) Decrease in deferred revenue of S$0.1 million; and

(e) Partially offset by an increase in trade payables of approximately S$0.2 million.

Net cash outflow from investing activities was approximately S$0.5 million, which was due mainly to progressive payments for properties at A'Posh Bizhub for our own business use which are currently under construction.

Net cash inflow from financing activities was approximately S$0.4 million, which was mainly due to proceeds from interest-bearing borrowings.

As at 30 September 2011, our cash and cash equivalents amounted to approximately S$4.7 million.

SEASONALITY

Our business is not subjected to significant seasonality.

INFLATION

For the Periods Under Review, the performance of our Group had not been materially affected by inflation. Our Group will closely monitor the interest rate environment which will be affected by inflation and adjust our financing terms and structures when necessary.

CAPITAL EXPENDITURE AND DIVESTMENTS

The capital expenditures and divestments made by our Group in FY2009, FY2010 and FY2011 and for the period from 1 July 2011 up to the Latest Practicable Date were as follows:

Expenditures (S$'000)	FY2009	FY2010	FY2011	From 1 July 2011 to the Latest Practicable Date
Furniture and Fittings	64	89	28	17
Laboratory Equipment	278	260	234	232
Office Equipment	85	170	196	76
Motor Vehicle	—	51	—	—
Leasehold Improvement	—	1,040	7	—
Construction-in-Progress	—	—	2,591	881
Computer Software	14	12	—	42
Total	**441**	**1,622**	**3,056**	**1,248**

Divestments (S$'000)	FY2009	FY2010	FY2011	From 1 July 2011 to the Latest Practicable Date
Furniture and Fittings	—	—	—	—
Laboratory Equipment	1	—	7	12
Office Equipment	9	10	20	9
Motor Vehicle	—	—	—	—
Leasehold Improvement	—	—	—	—
Construction-in-Progress	—	—	—	—
Computer Software	—	—	—	—
Total	**10**	**10**	**27**	**21**

Our Group acquired laboratory equipment, mainly Sepax® devices, computer-controlled freezers and storage tanks, that are used in the processing and storage of cord blood units, of approximately S$0.3 million, S$0.3 million and S$0.2 million in FY2009, FY2010 and FY2011 respectively.

In FY2010, our Group acquired approximately S$1.0 million of leasehold improvement mainly as a result of a new facility and offices built in Hong Kong to cater to the growth in demand for its Cord Blood Banking Services.

In FY2011, as a significant part of our operational expense arises from the rental of premises to store processed cord blood units, we have acquired the properties at A'Posh Bizhub, in Singapore, which is a 60-year leasehold property for approximately S$8.1 million, as a means of cost control. Out of the aggregate acquisition cost of S$8.1 million, our Company has paid S$1.6 million through internally generated funds. The remaining S$6.5 million will be financed by a loan facility. As at the Latest Practicable Date, our Company has drawn down S$1.6 million from the loan facility and had on 29 February 2012 drawn down a further S$353,000. None of the proceeds raised from this Invitation will be used for the acquisition of the properties at A'Posh Bizhub. Our Directors believe that the newly acquired facility will provide sufficient storage space for cord blood units for at least the next 30 years. The new facility reduces our expenses which arise due to the housing of our premises, by approximately a factor of ten and provides us with certainty and cost predictability going forward.

The above capital expenditures were financed by internally generated resources and bank borrowings.

FOREIGN EXCHANGE MANAGEMENT

We operate principally in North Asia and South Asia. Our revenue, purchases and expenses incurred in these regions are denominated mainly in the respective currencies of these countries. As such, the foreign currency transaction exposure to adverse fluctuations of the various currencies against the respective functional currencies is minimal. For each of FY2009, FY2010, FY2011 and 1Q2012 respectively, approximately 25.4%, 28.0%, 25.2% and 27.4% of our Group's total revenue were denominated in HK$.

We are subject to foreign currency translation exposure as our Group's financial statements are presented in S$ while the financial statements of certain subsidiaries are presented in foreign currencies, which are the currencies of the primary economic environment in which the entities operate. Any significant change in the exchange rate of the relevant currency against the S$ may adversely affect our financial performance and financial condition. Please refer to the section titled "Risk Factors — Risks Relating to our Industry and Business — We are subject to risks relating to foreign currency exchange rate fluctuations" for further details.

We do not currently have a formal hedging policy although we may, subject to the approval of our Board, enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures will be reviewed and approved by our Audit Committee and our Board.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the "Independent Auditors' Report and Combined Financial Statements for the Financial Years Ended 30 June 2009, 2010 and 2011" set out in Appendix A of this Prospectus, the "Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" set out in Appendix B of this Prospectus and the section titled "Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Prospectus, shows our cash and cash equivalents, capitalisation and indebtedness:

(i) as at 31 January 2012, being a date no earlier than 60 days before the date of lodgement of this Prospectus; and

(ii) as adjusted for the Invitation.

(S$'000)	**As at 31 January 2012**	**As adjusted for the Invitation**
Cash and cash equivalents	6,340	32,651[(1)]
Indebtedness		
Current		
Short term bank borrowings (unsecured and unguaranteed)	—	—
Short term bank borrowings (secured and unguaranteed)	69[(2)]	69
Finance lease payables	13	13
Non-current		
Long term bank borrowings (secured and unguaranteed)	1,518[(2)]	1,518
Finance lease payables	—	—
Total indebtedness	1,600	1,600
Total shareholders' equity[(3)]	44,402	70,713
Total capitalisation and indebtedness	**46,002**	**72,313**

Notes:

(1) Adjusted to include the net proceeds from the Invitation of approximately S$26.3 million as at the Latest Practicable Date.

(2) This amount is part of the total banking facilities available to our Group amounting to approximately S$6.5 million.

(3) Includes share capital and reserves.

As at the Latest Practicable Date, there was no material changes to our capitalisation and indebtedness as disclosed above.

As at the Latest Practicable Date, the total banking facilities available to our Group amounted to approximately S$6.5 million, of which S$4.8 million remain unutilised.

Credit Facilities

As at the Latest Practicable Date, our Group's banking facilities from the financial institutions are as follows:

Financial institutions	Nature of facility	Facility (S$'000)	Utilised amount as at the Latest Practicable Date (S$'000)	Unutilised amount as at the Latest Practicable Date (S$'000)	Interest rate per annum	Availability of facility until
DBS Bank Ltd.	Term loan in relation to the Yishun, A'Posh Bizhub properties	6,448	1,612	4,836	—(1)	—(2)
Wing Hang Bank	Finance Lease in relation to motor vehicle	41	29	12	3.75%	24 November 2012
Total		**6,489**	**1,641**	**4,848**		

Notes:

(1) Interest rate at 1.5% for the first year, 1.98% for the second year, 2.38% for the third year and thereafter, 2.28% plus 3-month swap offer rate.

(2) Available for drawdown up to 31 December 2012 or the date of the Temporary Occupation Permit ("**TOP**"), whichever is earlier, unless otherwise extended by DBS Bank Ltd.

As at the Latest Practicable Date, we had utilised approximately S$1.6 million of our banking facilities, which comprises mainly secured term loans and finance leases, which were used for the acquisition of property, plant and equipment and working capital.

As at the Latest Practicable Date, we were not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group's financial position and results of business operations, or the investments by our Shareholders.

Capital Commitments

As at 30 June 2011 and the Latest Practicable Date, our Group had capital expenditure contracted for but not recognised in the financial statements as follows. This relates to our new proposed headquarters and facility at Yishun, A'Posh Bizhub.

(S$'000)	As at 30 June 2011	As at the Latest Practicable Date
Capital commitments in respect of property, plant and equipment	5,644	4,836

Operating Lease Commitments

As at 30 June 2011 and the Latest Practicable Date, our Group had lease commitments for future minimum lease payments under non-cancellable operating leases as follows. These relate to the leases of all our offices in Singapore, Hong Kong and Shenzhen, details of which are listed in the section titled "General Information on our Group — Properties and Fixed Assets" of this Prospectus.

(S$'000)	**As at 30 June 2011**	**As at the Latest Practicable Date**
Within one year	727	536
After one year but not more than five years	1,372	1,110
Total	**2,099**	**1,646**

Contingent Liabilities

As at the Latest Practicable Date, save as disclosed above, our Group does not have any contingent liabilities.

Save as disclosed in this Prospectus, our Group has no other borrowings or indebtedness (direct and indirectly) or liabilities (including contingent liabilities) as at the Latest Practicable Date.

SIGNIFICANT ACCOUNTING POLICY CHANGES

There have been no changes in our accounting policies in respect of FY2009, FY2010, FY2011 and 1Q2012.

*Unless expressly stated below, all the information and data presented in this section, are extracted from the Independent Industry Analysis of the Cord Blood Banking Industry in Singapore, Hong Kong, and Mainland China (the "**Market Research Report**") dated 7 March 2012 prepared by Deloitte & Touche Financial Advisory Services Limited ("**DTFAS**"). DTFAS has been commissioned by our Company to prepare the Market Research Report for the purposes of providing information for incorporation into this Prospectus. The following "Industry Overview" section has been extracted from the Market Research Report. DTFAS has advised us that the statistical and graphical information contained herein is drawn from its database and other sources. In connection therewith, DTFAS has advised that: (a) certain information used by DTFAS was derived from estimates or subjective judgments; (b) the information used by other data collection agencies may differ from the information used by DTFAS; (c) reports and industry publications generally state that the information they contain has been obtained from sources they believe to be reliable but that the accuracy and completeness of that information is not guaranteed; (d) while DTFAS has taken reasonable care in the collection and compilation of the statistical and graphical information and believes it to be accurate and correct, data collection and compilation is subject to limited validation procedures and may accordingly contain errors and omissions; and (e) DTFAS's methodologies for collection and compilation of information and data may differ from those of other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the cord blood banking industry.*

While our Directors have taken reasonable action to ensure that information from the Market Research Report have been extracted in their proper form and context, and that such statements have been extracted accurately and fairly from the Market Research Report, none of the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent or our Company or their respective officers, agents, employees and advisers have conducted an independent review of the content or independently verified the accuracy thereof. You should be aware that since the date of the Market Research Report, there may have been changes in the cord blood banking industry and the various sectors therein which could affect the accuracy or completeness of the information in this section.

Definitions of Terms

Allogeneic Usage: It is the usage in which the donor and recipient are not the same person during blood transfusion and transplantation.

Autologous Usage: It is the usage in which the donor and recipient are the same person during blood transfusion and transplantation.

HLA: Human Leukocyte Antigen.

Hybrid Model: A hybrid model provides both private cord blood banking services and public cord blood banking services under one company. The private cord blood banking services found in a hybrid bank is similar to that of a typical private cord blood bank; public cord blood banking services found in a hybrid bank is similar to that of a typical public cord blood bank.

Market leader: Market leader is defined as the company with highest number of annual incremental storage units in the particular market that it operates.

Penetration Rate (Private): Calculated as annual incremental units of cord blood stored at private banks divided by annual number of new births (In Hong Kong, it is annual new birth in private hospitals).

Private Banks' Market Share: Market share of private cord blood bank is calculated as "the annual incremental storage units of the particular private bank" divided by "the annual incremental storage units of all private cord blood banks in that year". According to the market research conducted by DTFAS, all market share estimates are based on desktop research, interviews with industry players and experts, and analysis.

Private Bank or Private Cord Blood Bank: Private cord blood banks store cord blood with a link to the identity of the client and will charge the client for processing and storing cord blood.

However, when the client wants to retrieve it later if stem cells are needed, no fees are charged except for the necessary transportation cost. Storage periods are usually 18–20 years.

Public Banks' Market Share: Market share of public cord blood bank is computed by dividing the annual incremental storage units of the particular public bank by the annual incremental storage units of all public cord blood banks in that year. According to the market research conducted by DTFAS, all market share estimates are based on desktop research, interviews with industry players and experts, and analysis.

Public Bank or Public Cord Blood Bank: Public cord blood banks are usually run by the medical community or non-profit organizations. They accept donations to be used for anyone in need. Donors will not be charged any expenses. Anyone needing a stem cell transplant can go to public banks to get a HLA match cord blood (if any), but must pay for it. Storage periods are usually longer than at private banks.

Storage Volume: The number of cord blood units stored in the facilities of cord blood banks.

Success Rate: The number of successful engraftments in proportion to the total number of transplants.

Transplant: Utilising cord blood stem cells as a treatment for diseases such as leukaemia and cerebral palsy by transplant into the original donor or another person.

1 BRIEF HISTORY OF CORD BLOOD TRANSPLANTING

Stem cells have been studied by scientists since the early 1900s. It was not until 1963 that these blood producing stem cells were found in bone marrow and documented by Canadian researchers. In 1983, a British scientist Edward Boyse, first introduced use of umbilical cord blood as a source of stem cells, and suggested that cord blood stem cells may be used as an alternative to bone marrow stem cells for transplant.

Over the next few years, this prospect was subjected to additional research. As a result, in 1988 the first successful transplant using cord blood was made to a 6-year-old boy in Paris, France who suffered from a blood disorder called Fanconi's anaemia.

Fuelled by a series of successful cord blood transplants in the late 1990s on both children and adult patients, a global expansion of cord blood banks began to appear. In 1996, the United Kingdom established their first cord blood bank, and the first bank appeared in Asia shortly thereafter. In 1998, the AABB (formerly known as American Association of Blood Banks) accredited the first cord blood bank, and governments from around the world began creating their own regulations in response to the increasing number of public and private cord blood banks.

Continuous scientific breakthroughs revealed that additional diseases such as chronic leukaemia, sickle cell anaemia, and certain cancers may be treated by cord blood transplants. The cord blood transplant procedure has been proven effective and has treated many patients around the world. From 1999 to 2005, researchers and medical experts continued to treat several kinds of blood diseases, cancers, and genetic disorders with cord blood stem cells. Today, the transfusion of cord blood stem cells is being used to treat more than 80 kinds of diseases. By the end of 2010, more than 20,000 cord blood stem cell transplants had been performed worldwide.

2 CORD BLOOD APPLICATIONS

Since the 1980s, the use of stem cells as a treatment for life threatening diseases such as Parkinson's disease, various kinds of cancer, blood disorders and other congenital diseases, has become increasingly common and effective. Since then, the number of diseases cured by routine transplants has been increased to over 80. Researchers are dedicated to finding even more blood-related diseases that will be treatable by cord blood stem cells in the future.

Among the advantages of using cord blood transplants are that harvesting umbilical cord blood poses no risk to the mother or the child, whereas a bone marrow donor must undergo a surgical procedure. In addition, stored cord blood is ready for use as soon as it is needed, whereas the process of contacting and testing donors listed in a registry takes weeks to months. The primary advantage of cord blood cells is that there is a much greater chance that the stem cells will be a match and accepted by the patient.

While stem cells and their applications for the treatment of disease are still being studied, scientists are hoping that in the future, stem cells will provide treatments and cures for many other common disorders. Researchers have begun evaluating the uses of cord blood stem cells beyond the blood diseases cured by transplant. Cell expansion technology will also be further developed to support such transplants.

Currently, research is being undertaken for the application of cord blood stem cells in the fields of neurological trauma, vascular ischemic injury, hearing loss, diabetes, and regeneration.

3 ASIA MARKET OVERVIEW OF THE CORD BLOOD BANKING INDUSTRY

3.1 Asia Market Overview

The private cord blood banking industry is a relatively consolidated industry. DTFAS analysis and interview findings indicate that in many countries, the top three players have captured market shares of 80% or even more, such as in Singapore (with only two private players), China, Hong Kong, Japan and Malaysia.

The private cord blood banking industry is expected to maintain its rapid growth rate over the next five years, and future growth for both storage volume and penetration rate services appears to be sustainable according to the Market Research Report conducted by DTFAS. Some countries are expected to achieve high growth rates from 2010 to 2015, such as China, India, and Indonesia, given the high volumes of annual new births in these countries. Specifically, these countries offer opportunities for high business revenues with current low penetration rates that present great potential for growth, given a robust economic foundation.

3.2 Regulatory environment

According to the Market Research Report conducted by DTFAS, for several Asian countries, either a human tissue or general blood bank licence, or a specific cord blood bank licence is needed to operate a private cord blood bank. However, there are exceptions:

- The central government in China has only approved ten provinces and municipalities for hosting cord blood banking operations, and only seven operators have been issued licences.

- Hong Kong and Japan each only require basic business registration for private cord blood bank operations, according to the Market Research Report conducted by DTFAS.

According to the Market Research Report conducted by DTFAS, the regulatory environment appears likely to remain static in the near term.

3.3 Technology development

Continuous scientific breakthroughs revealed that additional diseases such as chronic leukaemia and certain cancers may be treated by cord blood transplants. The cord blood transplant success rate has been increasing over the past three years in many countries in Asia, Europe, and North America. In respect of both transplant and storage technology, no significant near-term breakthroughs are expected. However, in the long run, cell expansion technology will be further developed while the application fields of cord blood units will also be expanded, making cord blood banking more meaningful and well-accepted by the public.

Scientists are investigating the possibility that stem cells in cord blood may be able to replace cells of other tissues such as nerve or heart cells. Whether cord blood can be used to treat other kinds of diseases will be learned from this research.

4 SINGAPORE MARKET OVERVIEW OF THE CORD BLOOD BANKING INDUSTRY

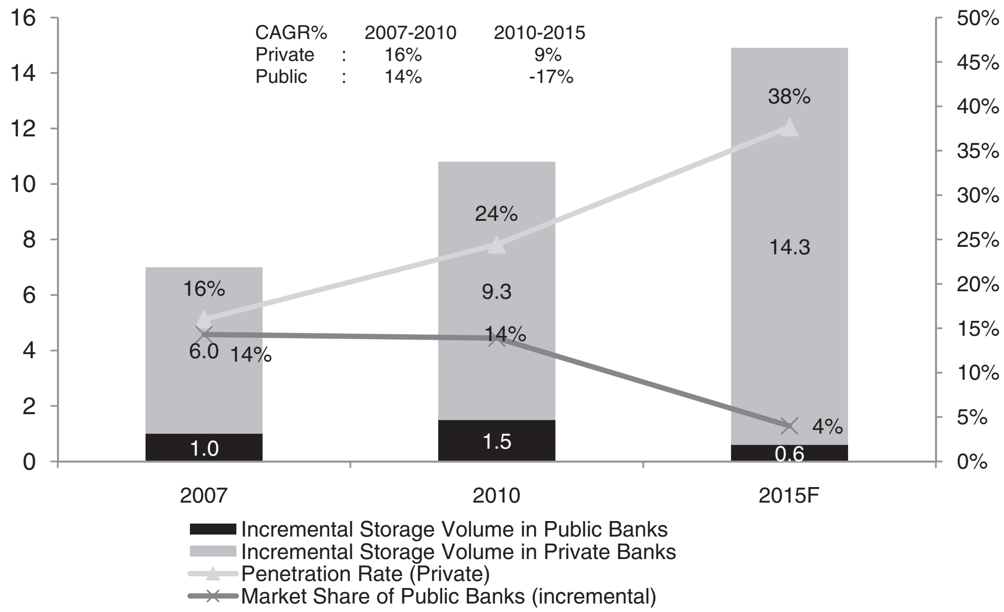
DTFAS research finds Singapore to be a relatively mature cord blood banking market in Asia, with a higher penetration rate of about 24%. Nevertheless, Singapore's private cord blood banking market is expected to keep growing.

4.1 Market Size and Forecast

Figure 2.1: Singapore, Incremental Storage Volume and Penetration Rate in Private Sector, (2007–2015F)

Incremental Storage Volume
(Units in '000)

Penetration Rate (Private)



Note: Penetration Rate (Private) = Annual incremental units of cord blood stored at private banks/annual number of new birth; Market Share of Public Banks (incremental) = Annual incremental units of cord blood stored at public banks/annual incremental units of cord blood stored at both public and private banks

Sources: Market Research Report

Table 2.1: Singapore, Cumulative Storage Units, (2007–2015F)

	2007 Storage ('000 units)	2010 Storage ('000 units)	2015 Storage ('000 units)
Private Banks	23	51	112
Public Banks	3	7	10

Sources: Market Research Report

According to the Market Research Report conducted by DTFAS, private cord blood banking has enjoyed a growth rate of around 16% over the past four years, mainly due to a government subsidy of 50% of the collection fee through the "Child Development Co-Saving" scheme. Rising public awareness and acceptance have also contributed, attended by more transplant operations combined with a higher transplant success rate.

The number of private incremental cord blood storage units in Singapore is expected to increase at a CAGR of around 9%.The penetration level of private cord blood banking is expected to rise to 38% by 2015 from 24% in 2010, driven mainly by the steady flow of new births and continuous increasing public awareness and acceptance.

As stated on its website, SCBB (the only public cord blood bank in Singapore) has set a target to store 10,000 ethnically diverse umbilical cord blood units, which would give Singaporeans and other Asian patients worldwide an approximately 80% chance of finding a suitable match. Given the current 7,000 units in cumulative storage, the annual incremental volume is expected to contract in the coming years.

Public cord blood banking's share of the overall market remained stable at around 14% from 2007 to 2010. However, as there are fewer incremental storage units at the public cord blood bank—*i.e.*, SCBB—and progressively more incremental storage units at private cord blood banks, the public cord blood bank's share of the overall market (both public and private combined) may contract to around 4% by 2015.

4.2 Demand Drivers for Private Cord Blood Banking

Table 2.2: Singapore, Impact of Key Demand Drivers in the Cord Blood Banking Industry, 2011

Key Demand Driver	Impact in 3–5 Years
1. Number of new births	Very High
2. Government subsidies and favourable regulatory environment	High
3. Increasing awareness and acceptance	High
4. Technological development of cord blood applications	Medium

Sources: Market Research Report

1. Number of new births

The Singaporean government has shown a determination to sustain and expand the local population through a system of incentives. Yet despite these efforts, including longer maternity leave and cash incentives, the Total Fertility Rate (TFR, number of children per female) dropped from 1.47 in 1999 to 1.22 in 2009, far short of the 2.1 needed for population regeneration according to *Population in Brief 2010* published by the Singapore Department of Statistics. The introduction of the marriage and parenthood (M&P) package in August 2008 may have helped to mitigate, but not stop the decline in births. Other factors mentioned by the government in its report include the effect on households of the global recession that began in 2008, as there was a significant decline in births in 2010. According to the market research conducted by DTFAS, the number of new births is expected to remain fairly flat, at around 38,000 new births per year. However, the number of new births in the long run may increase due to increasing number of immigrants who might have higher than average birth rate, according to the Market Research Report conducted by DTFAS.

2. Government subsidies and regulatory environment

According to the Singaporean government's website, Singapore offers a Child Development Account (CDA) to all children from birth through age six[(1)]. Savings accumulated by age six are matched at a 1:1 ratio up to a cap of S$6,000 to S$18,000, depending on the child's birth order. The savings in the CDA can be used for medical expenses, including cord blood collection and storage, as well as some other uses.

The regulatory environment regarding cord blood banking in Singapore is established with both industry players and government regulators. Based on discussions with industry players, there is no anticipated major changes in the near term.

3. Increasing awareness and acceptance

Relatively high market maturity may curb additional participation by target customers than might otherwise be anticipated. Singaporeans have high educational attainment relative to neighbouring countries. This may be a contributing factor in their acceptance of cord blood banking. At the same time, as Singapore is a small nation with a concentrated population and a well-established media infrastructure, the promotion of private cord blood banks has been comparatively easy. Thus greater awareness and acceptance among the general public has been observed in regarding cord blood banking as a form of biological insurance.

There is a general favourable attitude from the medical community toward cord blood banking that affects its acceptance by the public. Hospitals both private and public are actively participating in cord blood banking, either in the public bank donation programme, or in the promotion of cord blood storage at private banks.

4. Technological development of cord blood applications

The number and success rate of transplants have both been rising over the past three years, mainly due to technological developments and increased experience with such operations. The Market Research Report noted that the cumulative number of transplants in Singapore

(1) With effect from 1 January 2013, the CDA would be extended by six years

using cord blood has increased significantly, from 17 in 2007 to around 70 in 2010. Moreover, the success rate of such transplants in Singapore rose from 70% in 2007 to around 80% in 2010.

The spectrum of diseases applicable to cord blood therapy is widening, as development of the technology proceeds worldwide. The number of diseases curable with cord blood and other sources of stem cells has increased to around 80, and Singapore, as one of the most internationalised countries, has been closely following the leading technology.

4.3 Regulatory Environment and Government Policies

In Singapore, cord blood banks are registered as clinical laboratories under the Private Hospitals and Medical Clinics Act. Based on discussions with the MOH in Singapore, the MOH in Singapore has thus far issued two guidelines regarding this industry, and the MOH in Singapore is unlikely to issue any more in the near future.

4.4 Competitive Landscape

There are only three cord blood banks in Singapore: one public and two private. Cordlife and StemCord are the two private cord blood banks with Cordlife being the larger of the two with larger market share. Singapore Cord Blood Bank (SCBB) is the only public cord blood banking service provider founded by the government.

4.5 Entry Barriers

Given the absence of anticipated regulatory changes, industry players do not expect that the government will release new cord blood banking license. Other barriers, including current players' reputation and extensive channel networks, are also high enough to prevent new players from entering the market or gaining meaningful market share.

4.6 Top Cord Blood Banks and Profiles

Table 2.3: Profiles of Cord Blood Banks in Singapore, 2010

Company	Head Office	Year of Establishment	Model	No. of Storage Facilities	Incremental Storage Units (2010)	Market Share (2010)	Storage Capacity (units)
Cordlife	Singapore	2001	Private	1	About 5,300	c.62%	60,000
StemCord	Singapore	2002	Private	2	3,000–5,000	c.38%	About 40,000
Singapore Cord Blood Bank (SCBB)	Singapore	2005	Public	1	About 1,500	100%	n.a.

Note: SCBB's share over the overall market (SCBB's incremental storage units divided by incremental storage units of all private and public cord blood banks) was around 14% in 2010

Sources: Market Research Report

Both of Singapore's private cord blood banks began operations in the early 2000s, having already established their reputations elsewhere in Southeast Asia. Cordlife, has regional presence in Singapore, Hong Kong and Mainland China. It also has network extending into India, the Philippines and Indonesia. StemCord operates in Brunei, Indonesia, the Philippines and Vietnam. Although StemCord has two storage facilities in Singapore, Cordlife owns the one with one of the largest storage capacity (60,000 units).

4.7 Business model

Both private banks in Singapore are purely private cord blood banks. Subscribers will receive a collection kit from their bank and the doctors at their private hospitals will help to do the collection work. Then the private banks will take care of all the testing, storage, and delivery work.

4.8 Pricing structures

Table 2.4: Pricing Structure of Private Cord Blood Banks in Singapore (before goods and services tax), 2010

Company	Collection Fee or One Time Fee	Annual Storage Fee	Storage Period
Cordlife	SGD 1,950 (US$1,511)	SGD 250 (US$194)	21 years
	SGD 6,200 (US$4,805)	0	21 years
	SGD 4,200 (US$3,255) for the first 10 years	SGD 250 (US$194) for the next 11 years	21 years
StemCord	SGD 1,580 (US$1,225)	SGD 275 (US$ 213, pay per year)	5 years or more Usually 21 years

Note: 1 SGD = 0.775 US$ unless otherwise specified

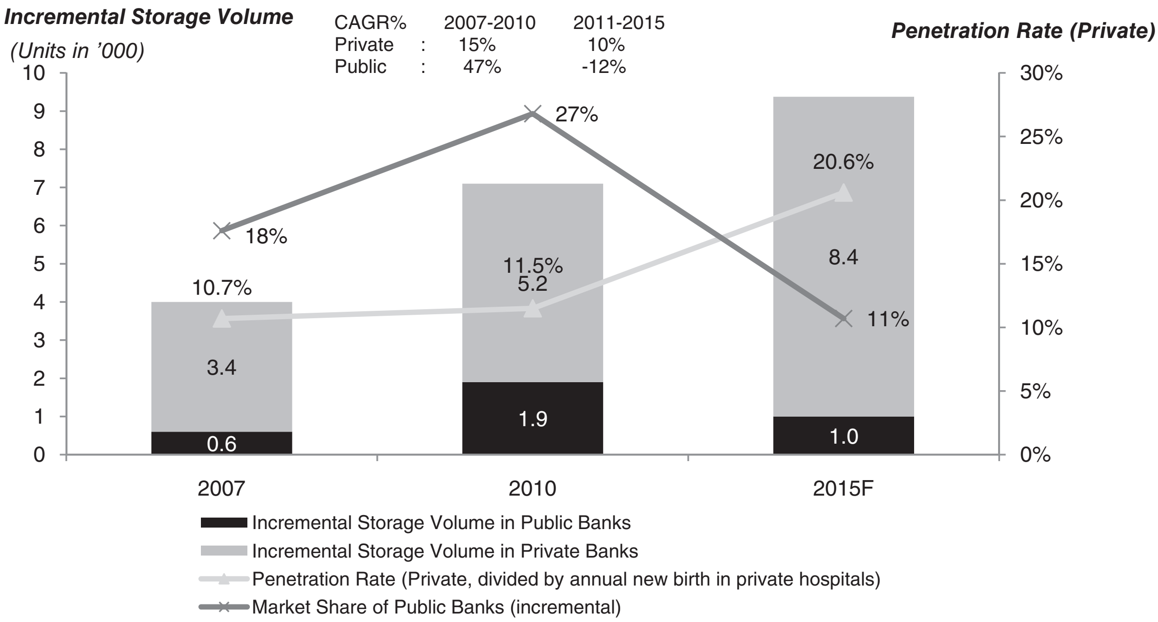
Sources: Market Research Report

Of the two private cord blood banks, StemCord offers a service of retrieval and transport of cord blood stem cells for transplant purposes within Singapore, free of charge. On the other hand, Cordlife has launched a programme called Cordlife Cares, which is open to families with a history of cord blood treatable diseases and a combined monthly household income of less than S$2,000. Cordlife will pay for the extraction and storage as well as the future retrieval of cord blood for such low-income families at-risk.

5 HONG KONG MARKET OVERVIEW OF THE CORD BLOOD BANKING INDUSTRY

5.1 Market Size and Forecast

Figure 3.1: Hong Kong, Incremental Storage Volume and Penetration Rate in Private Sector, (2007–2015F)



Note: Penetration Rate (Private) = Annual incremental units of cord blood stored at private banks/annual number of new births (In Hong Kong, it is annual new births in private hospitals); Market Share of Public Banks (incremental) = Annual incremental units of cord blood stored at public banks/annual incremental units of cord blood stored at both public and private banks

Sources: Market Research Report

Table 3.1: Hong Kong, Cumulative Storage Units, (2007–2015F)

	2007 Storage ('000 units)	2010 Storage ('000 units)	2015 Storage ('000 units)
Private Banks	16.8	30.5	65.4
Public Banks	1.2	3.8	9.0

Source: Market Research Report

In Hong Kong, private cord blood banks can only collect units from private hospitals. However, the size of private sector is still much bigger than public sector operations. Based on DTFAS interviews with management teams from leading players and industry experts, and DTFAS research and analysis on current situation, the annual incremental storage units at private cord blood banks is expected to grow at a CAGR of 10% over the next few years, deepening penetration from 11.5% in 2010 to 20.6% in 2015. Leading players are driving this growth by raising the visibility of cord blood banking and accommodating expectant mothers from the Mainland who wish to give birth in Hong Kong.

In respect of public cord blood banking, the Hong Kong government has set a goal of 5,000 cumulative storage units, and this goal is expected to have been met by the end of 2011. Based on the Hong Kong Red Cross's expectation of more frequent use of units for transplants, it will continue to collect cord blood units. However, the incremental collection volume may drop to a lower level of around 1,000 units per year, compared with the 2011 level of 1,900 units.

Public cord blood banking's share of the overall market expanded from around 18% in 2007 to around 27% in 2010. However, as there are fewer incremental storage units at the public cord blood bank—*i.e.*, Hong Kong Red Cross—and progressively more incremental storage units at private cord blood banks, the market share of public cord blood bank's share of the overall market (both public and private combined) may contract to around 11% by 2015.

5.2 Demand Drivers for Private Cord Blood Banking

Table 3.2: Hong Kong, Impact of Key Demand Drivers in the Cord Blood Banking Industry, 2011

Key Demand Driver	Impact in 3–5 Years
1. Numbers of new births	Very High
2. Public awareness of cord blood banking	High
3. Healthcare system	Medium
4. Improving wealth profile	Medium
5. Association criticism	Medium

Source: Market Research Report

1. Number of new births

The annual birth numbers among residents have been relatively stable, ranging from 43,000 to 49,000 over the past few years. The Hong Kong government is concerned about the aging population, and has encouraged residents to have more children by protracting the compulsory free education from nine years to 12 years. However, because of the lack of other effective motivation policies, new births have not increased very much among Hong Kong residents. According to the Market Research Report conducted by DTFAS, the number of new births from Hong Kong residents is expected to vary within this range.

After reaching a historical low level of 47,000 in 2003, the number of new births in Hong Kong has been rising at a steadily increasing rate, reaching around 88,600 by 2010. The number of births is out of proportion with the natural pool of birth-age parents in Hong Kong due to the influx of expectant mothers from Mainland China who are attracted by a better living environment, educational system, and quality of healthcare. In 2010, 46% of all births in Hong Kong were attributed to around 41,000 Mainland Chinese mothers who gave birth in Hong Kong.

However, because of the limited medical resources, the government of Hong Kong issued a new policy in 2011 to set a ceiling on the number of expectant mothers from the Chinese Mainland who would be allowed to give birth in Hong Kong. The quota for 2012 is around 34,400, comprising 31,000 at private hospitals and 3,400 at public hospitals, and is expected to stay at this level in the near future according to the Market Research Report conducted by DTFAS. Compared with the 41,000 births from Mainland Chinese mothers at all hospitals in 2010, this 34,400 for 2012 indicates a sizable reduction. Most of the reduction comes from public hospitals. In the private sector, which is the private banks' addressable market, the expected ceiling on the number of Mainland Chinese mothers is 2,000 less than the 2010 number of 33,000. However, this still restricts the addressable market, since many Hong Kong mothers who have been forced to use private hospital service due to limited capacity at public hospitals will shift to public hospitals once there are available beds.

The cap was imposed due to the limited resources in Hong Kong. The government promised to prioritise the needs of Hong Kong residents. Hong Kong's Food and Environmental Hygiene Department will announce the quota each year. Though the cap is expected to stay at the current level over the next few years, in the long run, it may be increased if the constraint on hospital capacity can be relieved.

2. Public awareness of cord blood banking

Competition in the Hong Kong market is high among the three market leaders (Healthbaby, Cordlife and Cryolife); therefore, currently effective marketing is an essential means by which any of them can gain an edge in market share. Celebrity endorsements and collaborations with agencies who help Mainland Chinese mothers to give birth in Hong Kong are the most common ways of raising awareness and acceptance.

At the same time, transplants using cord blood units are increasing recently, which are raising the public acceptance level for private cord blood banking. Four units have been issued by private cord blood banks for transplants, and about 50–60 units were issued by the Hong Kong Red Cross within the past few years for cord blood transplants.

3. Healthcare system

Hong Kong has a compulsory healthcare system, and the government offers healthcare services to all Hong Kong residents and provides government-subsidised medical services. Most of the cord blood transplant operation cases are conducted at two public hospitals managed by the Hong Kong Hospital Authority. The cost of the operation is subsidised, and therefore is lower than those offered in private operation.

4. Improving wealth profile

Based on the information published by Hong Kong Census and Statistics Department, Hong Kong's GDP had been increasing until 2008, when it began to feel the impact of the financial crisis and the global economic downturn. As a result, the 2009 GDP *per capita* dropped by 5%. In 2010, GDP *per capita* in Hong Kong rebounded to its 2008 level.

5. Association criticism

In 2010, the Hong Kong Consumer Council raised concerns regarding storage of cord blood for private use. They pointed out that the possibility of using one's own cord blood for transplant is less than 1/20,000, which might impact the image of the private cord blood banking market. (Nevertheless, a paper published by J. J. Nietfeld, PhD and other scientists in the US states that the lifetime probability of undergoing autologous HCT (hematopoletic cell transplantation) is much higher than previously reported by others and could rise even higher with increases in donor availability and HCT applicability.)

5.3 Regulatory Environment and Government Policies

Cord blood banks in Hong Kong only need basic business registration; no specific licence is required for operations related to blood products or human tissue, according to the Market Research Report conducted by DTFAS.

5.4 Competitive Landscape

Healthbaby, Cordlife, and Cryolife are the three leading players in the Hong Kong private cord blood banking industry. Healthbaby has the highest number of annual incremental storage units in the private sector, followed by Cordlife. Cryolife has the most cumulative storage units, but had less incremental storage units than Healthbaby and Cordlife in 2010. These three players together have captured a greater-than 90% market share in terms of both incremental storage volume and cumulative storage volume in the private sector. There are some other players in the Hong Kong market, such as Smart Cells from the UK. However, their market shares are not significant.

5.5 Entry Barriers

The three market leaders have been in the market for a long time and have already built their reputations and client base, it may be difficult for new entrants to build market share. They have also built extensive networks with hospitals, doctors, and agents which may not be easy for new players to emulate in a short period of time.

5.6 Top Cord Blood Banks and Their Profiles

Table 3.3: Profiles of Cord Blood Banks in Hong Kong, 2011

Company	Head Office	Year of Establishment	Model	No. of Storage Facilities	Incremental Storage Units (2010)	Market Share (2010)	Storage Capacity (units)
Healthbaby	Taiwan	2005	Private	1	About 2,400	c. 45%	18,000
Cordlife	Singapore	2005	Private	1	About 1,700	c. 28%	50,000
Cryolife	USA	1998	Private	1	1,000–1,500	c. 23%	96,000
Smart Cells	UK	2004	Private	0	Very small	not significant	n.a.
Asia Pacific Stem Cell	Hong Kong	2009	Private	1	Very small	not significant	n.a.
Red Cross (public bank)	Hong Kong	1999	Public	1	1,900	100%	5,000

Note: Red Cross' share over the overall market (Red Cross' incremental storage units divided by incremental storage units of all private and public cord blood banks) was around 27% in 2010

Sources: Market Research Report

Among the three leading players, Cryolife is the one with the longest operational history. It opened in Hong Kong in 1998, and has the largest cumulative storage volume. Whereas, Healthbaby in recent years has increased its annual incremental storage.

Healthbaby is operated by Healthbank from Taiwan. It has pursued an ambitious marketing strategy in Hong Kong and has expanded rapidly over the past few years.

Cordlife is another international player with presence in Singapore, Hong Kong, and Mainland China. It also has network extending into India, the Philippines, and Indonesia. It spends less on marketing and often uses a 'word-of-mouth' marketing strategy, but nonetheless has also grown quickly over the past few years.

Other players include Smart Cells, who store all units they collect in the UK. They are setting up their own storage facility in Hong Kong and will put it to use in the next few months. Another player is Stemlife from Malaysia, which was operating in this market until 2011, when they halted their operations in Hong Kong.

5.7 Business models

All private banks cord blood in Hong Kong are pure private operations. Subscribers will receive a collection kit from their bank and the doctors at their private hospitals will help to do the collection work. Then the private cord blood banks will take care of all the testing, storage, and delivery work.

5.8 Pricing structures

Table 3.4: Pricing Structure of Private Cord Blood Banks in Hong Kong, 2010

Company	Collection Fee or One Time Fee	Annual Storage Fee	Storage Period
Healthbaby	HK$38,000 (US$4,864)	0	18 years (with an additional free 3 year storage with lump-sum payment)
Cordlife	HK$20,500 (US$2,624) for the first 5 years	HK$1,500 (US$192) For the next 13 years	18 years
	HK$26,500 (US$3,392) for the first 10 years	HK$1,500 (US$192) for the next 8 years	18 years
	HK$33,000 (US$4,224)	0	18 years
Cryolife	HK$37,400 (US$4,787)	0	18 years
	HK$41,500 (US$5,312)	0	23 years
	HK$45,380 (US$5,809)	0	28 years
Smart Cells	HK$35,000 (US$4,480)	0	25 years
Asia Pacific Stem Cell	HK$33,000(US$4,224)	0	20 years

Note: 1 HKD = 0.128 US$ unless otherwise specified

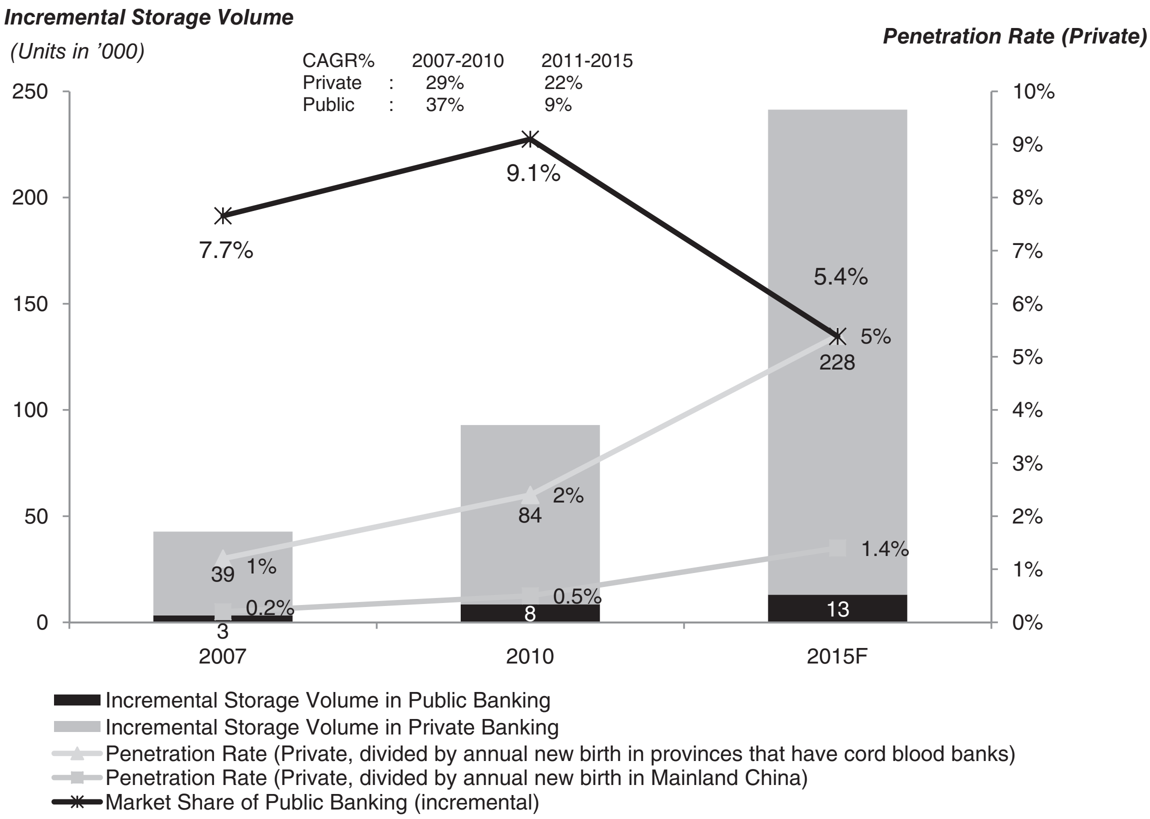
Sources: Market Research Report

Private cord blood banks in Hong Kong usually offer a service package to their subscribers, and charge an overall fee for the whole package instead of separately charging fees for collection, storage, and processing. There are usually different duration options from which subscribers may choose, ranging from 18 years to 28 years. Eighteen years is the most common option.

6 MAINLAND CHINA MARKET OVERVIEW OF THE CORD BLOOD BANKING INDUSTRY

6.1 Market Size and Forecast

Figure 4.1: Mainland China, Incremental Storage and Penetration Rate in Private Sector, (2007–2015F)



Note: All cord blood banks in Mainland China operate a hybrid model; one of the blood banks was excluded from the market sizing as it seemed to have been operating without a valid licence for cord blood banking; Penetration Rate (Private) = Annual incremental units of cord blood stored at private banking/annual number of new births; Market Share of Public Banking (incremental) = Annual incremental units of cord blood stored at public banking /annual incremental units of cord blood stored at both public and private banking

Sources: Market Research Report

Table 4.1: Mainland China, Cumulative Storage Units, (2007–2015F)

	2007 Storage ('000 units)	2010 Storage ('000 units)	2015 Storage ('000 units)
Private Banking	156	374	1,142
Public Banking	40	51	102

Sources: Market Research Report

At over 90% of the total incremental storage units in 2010, and nearly 90% of total cumulative storage units that same year, the private sector appears to be dominating the cord blood banking market. DTFAS interviews with industry experts and leading operators indicate a forecast CAGR of approximately 22% from 2010 to 2015, mainly driven by the rising penetration rate and the growing addressable market size.

Based on interview results regarding the potential growth in annual incremental storage volume conducted by DTFAS, in provinces with cord blood banking operations, the private sector's penetration rate rose from 1% in 2007 to 2% in 2010, and is expected to more than double to 5% by 2015. This growth trend is attributed to rising public awareness, driven by the marketing and promotion efforts from leading players; and increasing income levels and healthcare expenditures by the target customers.

The private sector penetration rates have been computed as indicated below, based on the provinces with private cord blood banking operation, factoring in an addressable market of all new births in these provinces.

From a broader perspective, the nationwide penetration rate of private sector cord blood banking is expected to increase from 0.5% in 2010 to 1.4% in 2015, leaving more headroom for expanding business.

6.2 Demand Drivers for Private Cord Blood Banking

Table 4.2: Mainland China, Impact of Key Demand Drivers in the Cord Blood Banking Industry, 2011

Key Demand Driver	Impact in 3–5 Years
1. Expanding addressable market size	Very High
2. Increasing awareness and acceptance	Very High
3. An expanding middle class	High
4. Potential adverse publicity	High
5. Increasing spending on healthcare	Medium
6. Stringent control over private cord blood banking	High

Source: Market Research Report

1. Expanding addressable market size

   The addressable market size may be conservatively defined as the number of new births in provinces with private cord blood banking operations. This market is expected to expand from 3.4 million in 2010 to 4.2 million in 2015, according to the National Statistics Bureau of China and the Market Research Report conducted by DTFAS. The increase is primarily due to new operations opening in provinces where cord blood banking is just now being offered.

2. Increasing awareness and acceptance

   Marketing efforts of leading players comprise initiatives to promote visibility and public awareness via media advertisements, including internet adverts, and posting representatives in hospitals to directly promote cord blood banking to expectant parents.

Public acceptance has been raised by an increasing number of transplants using stem cells from cord blood, word of whose success has promoted greater acceptance by the public. According to interview findings, there had been 500 such transplant cases by the end of 2007, and a cumulative total of around 720 by the end of 2010.

Acceptance of cord blood banks has been further aided by the increasing success rate of transplant operations. According to the Market Research Report conducted by DTFAS, the success rate rose from 65% in 2007 to around 80% in 2010.

3. An expanding middle class

As China's domestic economy continues to grow and urbanise, the nation's middle class is expected to expand in greater proportion to the population at large (defining "middle-class households" as those with annual incomes of RMB 60,000 to RMB 500,000, according to China's National Statistics Bureau). The Chinese Academy of Social Sciences estimates that 23% of China's general population had already achieved middle-class status by 2010, and that this proportion is expected to expand by 1% each year.

4. Potential adverse publicity

There remains a need for implementation of good-practice standards in cord blood banking. The public image of cord blood banks and the public's perception of their reliability have suffered some damage due to a lack of such standards. In 2008, a cord blood bank was reported to have stored contaminated cord blood units, an incident which, upon inspection, the health authorities declared it as an accident. Nevertheless, the incident adversely impacted public opinion of cord blood banks and their operating practices in China; and according to public information sources and interviews with industry experts, the industry will be slow to recover.

5. Increasing spending on healthcare

Urban residents in China are spending more on healthcare. According to China's National Statistics Bureau, healthcare expenditures per capita among the urban population reached approximately RMB 860 annually in 2009, accounting for an increase of about 38% from the level of spending in 2006.

In particular, according to public information sources and interviews with industry experts, *per capita* spending on healthcare services is expected to continue rising, due to greater awareness of health maintenance needs and limited medical insurance coverage in China.

6. Stringent control over private cord blood banking

Operation of a cord blood bank on a purely for-profit basis is prohibited by the *Measures for Administration for Blood Banks.* In China, all cord blood banks are operating under a so-called "hybrid model," accepting reserved private deposits of cord blood as well as donated cord blood. However, DTFAS research shows that the storage volume for private subscriptions has outweighed the donated volume, so that the profit-making business has overwhelmed the more public-interested function of donor cord blood banking.

The hybrid model helps fund the capital requirements of the public portions of the operation.

In recent years, the government has been imposing more and more stringent controls over cord blood banking, focusing on the process and procedure of the operations.

6.3 Regulatory Environment and Government Policies

In Mainland China, the PRCMOH and the Departments of Health in each province are the main regulatory stakeholders that govern cord blood banking. In 2005, the Ministry of Health in China planned for ten cord blood banks, one in each of the ten provinces and municipalities in which cord blood banking was to be authorised. In addition, a requisite licence for specialised blood banks is to be issued by the provincial departments of health for cord blood banks.

Thus far, seven of the ten provincial departments of health have issued these licences, one in each province, comprising Beijing, Tianjin, Shanghai, Guangdong, Shandong, Sichuan, and Zhejiang.

6.4 Competitive Landscape

In Mainland China, altogether ten provinces have been designated to establish one cord blood bank in each province. However, as of September 2011, only seven banks as detailed above had been so authorised and were operating with a valid cord blood banking licence obtained from provincial level health administrations.

6.5 Entry Barriers

Regulatory control in terms of restrictions and licensing appears to be the top entry barrier in China's cord blood banking industry. New entrance into the cord blood banking industry and establishment of new cord blood banks appears subject to high restrictions in China. According to a circular issued by the PRCMOH on 16 December 2005, and also an extension notice published in February 2011, no more provinces will be added to the ten currently allowed to host cord blood banking (until 2015).

The cord blood banks in each province also owns an exclusive license for collection and operation within its home province.

6.6 Top Cord Blood Banks and Their Profiles

Table 4.3: Profiles of Major Cord Blood Banks in Mainland China, 2011

Company	Location	Year of Establish-ment	Model	2010 Incremental Units Stored (Private) sector only	Market Share (2010)	Storage Capacity (units)
Beijing Cord Blood Bank	Beijing	1996	Hybrid	52,600 incl. Beijing and Guangdong	c. 62% incl. Beijing and Guangdong	500,000
Guangdong Cord Blood Bank	Guangzhou	1998	Hybrid	52,600 incl. Beijing and Guangdong	c. 62% incl. Beijing and Guangdong	250,000
Tianjin Cord Blood Bank	Tianjin	2001	Hybrid	18,000 (including public units)	c. 21% (including public units)	300,000
Shandong Cord Blood Bank	Jinan	1999	Hybrid	Less than 11,000	Less than 13%	n.a.
Sichuan Cord Blood Bank	Chengdu	1999	Hybrid	Less than 5,000	Less than 6%	n.a.
Shanghai Cord Blood Bank	Shanghai	2004	Hybrid	Less than 5,000	Less than 6%	n.a.
Zhejiang Cord Blood Bank	Hangzhou	2011	Hybrid	n.a.	n.a.	n.a.

Note: Guandong Cord Blood Bank was founded by Guangzhou Tianhe Nuoya and Guangdong maternity and childcare hospitals; it is the only license cord blood bank in Guangdong

Sources: Market Research Report

Among the eight cord blood banks (including the seven banks already operating and the one pending licensure) in China, China Cord Blood Corporation (CCBC) appears to be one of the top operators, as it holds majority shares in Beijing, Guangdong, and Zhejiang Cord Blood Banks, and a minority share, *i.e.*, approximately 20% in Shandong Cord Blood Bank. Union Stemcell, the operator of Tianjin Cord Blood Bank, appears to be another leading player in the China market, with storage capacity of 300,000 units and relatively high annual incremental storage volume.

The two leading players, CCBC and Union Stemcell together hold a market share of over 80% according to the Market Research Report conducted by DTFAS.

6.7 Business Models

All cord blood banks operate under a hybrid public/private model in China, due to the restriction against purely private cord blood bank operations.

Hospitals appear to be one of the most crucial marketing channels for China cord blood bank operators. According to the Market Research Report conducted by DTFAS, operators usually set up onsite consultancy help-desks at the leading gynecology and obstetrics hospitals in their respective provinces to raise visibility and drive patients to the service. In some cities and provinces, *e.g.*, Beijing, Guangdong, and Shanghai, cord blood banks have established networks of hospital partnerships to promote and to better facilitate their services. Interviews also indicated that in the more highly-developed Chinese cities, such as Shanghai, some doctors will confer with pregnant women to assess their willingness for cord blood donation and subscription at the very first pregnancy check.

6.8 Pricing structures

The pricing structure of private cord blood banking comprises a one-time collection fee and an annual storage fee except Shandong Cord Blood Bank which offers a package. Fee levels appear to be generally aligned across cord blood banks, with the collection fee generally around RMB 5,800, and the annual storage fee around RMB 600. According to the Market Research Report for private cord blood service subscriptions, a commercial medical insurance scheme is offered, with coverage ranging from RMB 300,000 to RMB 500,000 (US$44,880 – US$74,800) for transplant operations and other relevant medical services expenses.

Table 4.4: Pricing Structure of Private Banking in Major Cord Blood Banks in Mainland China, 2010

Company	Collection Fee	Annual Storage Fee	Storage Period
Beijing Cord Blood Bank	RMB 5,800 (US$868)	RMB 620 (US$93)	18 years
Tianjin Cord Blood Bank	RMB 5,800 (US$868)	RMB 580 (US$87)	22 years
Guangdong Cord Blood Bank	RMB 5,800 (US$868)	RMB 620 (US$93)	18 years
Shandong Cord Blood Bank	RMB 12,780 (US$1,912)	0	10 years
	RMB 15,880(US$2,376)	0	20 years
Sichuan Cord Blood Bank	RMB 5,200 (US$778)	RMB 600 (US$90)	20 years
Shanghai Cord Blood Bank	RMB 5,800 (US$868)	RMB 1,000 (US$150)	20 years
Zhejiang Cord Blood Bank	RMB 5,800 (US$868)	RMB 686 (US$103)	18 years

Note: 1 RMB = 0.1496 US$ unless otherwise specified

Sources: Market Research Report

SHARE CAPITAL

As at the Latest Practicable Date, our issued and paid-up ordinary share capital was S$25,677,763 comprising 150,887,354[(1)] Shares and one "A" Preference Share. The "A" Preference Share (which does not represent capital) was issued to enable CBB to reverse the effect of the capital reduction that was completed on 30 June 2011 by giving CBB the option to acquire all our issued Shares should this Invitation not proceed by 31 March 2012. As set out in our Articles of Association, this option to acquire all our issued Shares by CBB will lapse upon the admission of our Company to the Official List of the SGX-ST. The rights and privileges of our Shares and the "A" Preference Share are stated in our Articles of Association. A summary of the Articles of Association of our Company relating to the voting rights of Shareholders is set out in Appendix E of this Prospectus. There is no founder, management, deferred or unissued Share reserved for issuance for any purpose. All of our Shares are in registered form.

At an extraordinary general meeting held on 16 June 2011, CBB, as the sole shareholder at the time approved, among others, the following:

(a) the bonus issue of 110,581,479 Shares to CBB;

(b) the issue of one option to the CBB Bond Holder, exercisable into 21,800,000 Shares at no consideration;

(c) the conversion of our Company into a public limited company and the change of our name to "Cordlife Group Limited";

(d) the issue of one "A" Preference Share to CBB; and

(e) the adoption of our new set of Articles of Association pursuant to which, the rights of the "A" Preference Shareholder, among others, were instituted.

At the annual general meeting held on 30 November 2011, our Shareholders approved, among others, the following:

(a) that authority be given to our Directors to allot and issue (i) shares in our Company (whether by way of rights, bonus or otherwise); and (ii) any offer, agreements or options (collectively, "**Convertible Securities**") 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 instrument convertible into Shares at any time and upon such terms and conditions and for such purposes and to such persons as our Directors shall in their absolute discretion deem fit, provided that the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued to in pursuance of Convertible Securities made or granted pursuant to such authority) (the "**Shares Issues**") shall not exceed 50.0% of the total number of shares in the post-Invitation issued share capital of our Company (excluding treasury shares), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the then existing shareholders of our Company shall not exceed 20.0% of the number of shares in the post-Invitation issued share capital of our Company (excluding treasury shares).

    Unless revoked or varied by our Company in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting is required by law or by our Articles of Association to be held,

---

(1) 110,581,479 Shares were issued and allotted pursuant to the bonus issue undertaken by the Company on 16 June 2011. The Shares issued pursuant to the bonus issue was credited as fully paid at nil consideration and without capitalisation of the Company's reserves.

whichever is earlier, except that our Directors shall be authorised to allot and issue new shares pursuant to the Convertible Securities notwithstanding that such authority has ceased.

For the purposes of this resolution and pursuant to Rules 806(3) and 806(4) of the Listing Manual, "post-Invitation issued share capital" shall mean the enlarged issued share capital of our Company after the Invitation (excluding treasury shares), after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising of any convertible securities or share options or vesting of share awards outstanding or subsisting at the time such authority is given, providing the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent bonus issue, consolidation or sub-division of shares; and

(b) that without prejudice to the generality of, and pursuant and subject to the approval of the general mandate to issue Shares set out in (a) above, authority be given to our Directors to issue Shares other than on a pro rata basis to Shareholders, at a discount not exceeding 10.0% to the weighted average price of the Shares for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day), at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit,

provided that:

(A) in exercising the authority conferred by this resolution, our Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements, and the Articles of Association for the time being of our Company; and

(B) (unless revoked or varied by our Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

At an extraordinary general meeting held on 30 November 2011, our Shareholders approved, among others, the allotment and issue of the New Shares which are the subject of the Invitation. The New Shares, when issued and fully paid-up, will rank *pari passu* in all respects with the existing issued and fully paid-up Shares.

As at the Latest Practicable Date, the issued and paid-up share capital of our Company is S$25,677,763 comprising 150,887,354 Shares and one "A" Preference Share. Upon the allotment of the New Shares which are the subject of the Invitation and the exercise of the CBB Option, the resultant issued share capital of our Company will be increased to S$53,778,617 comprising 232,687,354 Shares.

The shareholders' equity of our Company: (a) as at incorporation; (b) immediately prior to the Invitation; (c) after the Invitation; and (d) after the Invitation and exercise of the CBB Option are set out below. These statements should be read in conjunction with the combined financial statements of our Group for FY2009, FY2010, FY2011 and 1Q2012 set out in Appendices A and B to this Prospectus.

	As at date of incorporation	Immediately prior to the Invitation[(2)]	After the Invitation	After the Invitation and exercise of CBB Option
Number of issued and paid-up Shares	10,000,000	150,887,354	210,887,354	232,687,354
Share capital (S$)	100,000	25,677,763	53,778,617[(1)]	53,778,617[(1)]
Shareholders' equity (S$)	100,000	42,991,000	69,302,328	69,302,328

Notes:

(1) After deducting approximately S$1.6 million of listing expenses which is capitalised.

(2) As at 30 September 2011.

Save as disclosed below, there were no changes in the issued and paid-up share capital of our Company and our subsidiaries within the three years preceding the Latest Practicable Date:

Our Company

Date	No. of Shares issued	Price per Share	Purpose of issue	Resultant issued Share Capital
22 June 2011	1 "A" Preference Share	S$1.00	To enable CBB to reverse the effect of the capital reduction that was completed on 30 June 2011 by giving it an option to acquire all the Shares should this Invitation not proceed by 31 March 2012	S$25,677,763
22 June 2011	110,581,479	—	To facilitate orderly distribution of Shares by CBB	S$25,677,763

Cordlife Hong Kong

Date	No. of Shares issued	Price per Share	Purpose of issue	Resultant issued Share Capital
17 January 2011	168,964,610	HK$0.10	Capitalisation of loan	HK$24,065,861
30 June 2011	431,171,740	HK$0.10	Capitalisation of loan	HK$67,183,035

RESTRUCTURING EXERCISE

The following restructuring exercise was undertaken and completed prior to the Invitation.

Demerger from CBB

On 16 May 2011, our then sole Shareholder, CBB announced a proposed capital reduction to be implemented by way of a distribution *in specie* of all of our Shares to the shareholders of CBB, which resulted in the demerger of our Company from CBB. On 16 June 2011 at the extraordinary general meeting convened by CBB, shareholders of CBB approved the capital reduction and the distribution *in* *specie* exercise. On 22 June 2011, we issued and allotted 110,581,479 Shares to CBB at no consideration to allow orderly distribution of our Shares to the shareholders of CBB, such that each shareholder of CBB was entitled to receive our Shares in the proportion of their shareholding interest in CBB.

In addition, we also issued and allotted to CBB the "A" Preference Share for S$1.00, thus allowing it to reverse the effect of the capital reduction that was completed on 30 June 2011 by giving it the option, as set out in our Articles of Association, to acquire all our issued Shares should this Invitation not proceed by 31 March 2012, the consideration for our Shares would be the issue of 455,240,212 fully paid-up shares in CBB to our Shareholders on a pro rata basis. This option to acquire all our issued Shares by CBB will lapse upon the admission of our Company to the Official List of the SGX-ST and CBB will not be entitled to any claim or liability on our Company upon the lapsing of the "A" Preference Share.

On 30 June 2011, we entered into various agreements with CBB and Cordlife Stem Cell (a wholly-owned subsidiary of CBB) for the co-operation between our Group and the CBB Group as well as to ensure the smooth transition post the demerger. In particular, the Cordlife Stem Cell Technology Co-operation Agreement (as defined below), the ROFR Agreement (as defined below), the Non-Compete Agreement (as defined below) the Co-operation Agreement (as defined below) and the Provision of Service Agreement (as defined below), were negotiated together with the Trademark Agreement (as defined below) to regulate and govern the relationship between the CBB Group and our Group post demerger. Pursuant to their terms, breach of a material obligation under any one of the Non-Compete Agreement, the ROFR Agreement, the Trademark Agreement, the Co-operation Agreement or the Provision of Service Agreement (collectively, the "**Relevant Agreements**") which results in their termination will accordingly also lead to the termination of all of the other Relevant Agreements. Please refer to the section titled "Interested Person Transactions" of this Prospectus for further details.

Our Company has entered into the following agreements on 30 June 2011:

(a) a non-compete agreement with CBB, as supplemented on 7 October 2011 and 30 November 2011 (the "**Non-Compete Agreement**") for a consideration of S$1.00 pursuant to which our Company agreed not to undertake any activities or carry on any business or trade that competes directly with the business carried on or proposed to be carried on by CBB in Indonesia and the Philippines for a period of three years from 30 June 2011 and in India for a period of five years from 30 June 2011 and CBB agreed not to undertake any activities or carry on any business or trade that competes directly with the business carried on or proposed to be carried on by our Company in Singapore and Hong Kong for a period of three years from 30 June 2011.

    The Non-Compete Agreement was entered into on a voluntary basis between our Company and CBB and is conditional upon, among others, the following: (i) there being no change of control in CBB and (ii) no corporate action, legal proceedings or other procedure or step is taken in relation to CBB as to the suspensions of payments, a moratorium of its indebtedness, winding up, among others.

    The Non-Compete Agreement prohibits our Company from undertaking any activities or carrying on any business or trade that competes directly with the business carried on or proposed to be carried on by CBB in Indonesia and the Philippines for a period of three years from 30 June 2011 and in India for a period of five years from 30 June 2011. It also prohibits our Company from acquiring other similar existing businesses in these jurisdictions. However, the Non-Compete Agreement does not prohibit our Company from investing in the existing business carried out by Cordlife India by way of the Bonds. In addition, the Non-Compete Agreement does not prohibit, and is not inconsistent, with our future plan and growth strategy to acquire, if so offered by CBB under the ROFR Agreement, CBB's entities or operations in the jurisdictions within the scope of the Non-Compete Agreement. Our Company has a first right to acquire these entities or operations pursuant to our rights under the ROFR Agreement and it is envisaged that once Cordlife India turns profitable, our Company, pursuant to the Right of First Refusal, will have the first opportunity to acquire Cordlife India, should CBB decide to dispose of Cordlife India at that time. The Non-Compete Agreement does not prohibit our Company from acquiring the businesses owned by the subsidiaries of CBB, pursuant to the ROFR Agreement, since such acquisitions would not be construed as competing with the CBB subsidiaries. Accordingly, our investment in Cordlife India is therefore not inconsistent with the terms of the Non-Compete Agreement. Post completion of our investment in India, our Company would not be carrying out any business in India but would remain a bondholder of CS Cell Technologies Pte. Ltd., which holds 85.0% of Cordlife India.

The term of the Non-Compete Agreement is the same as the term of the ROFR Agreement in relation to the jurisdictions mentioned above. Upon the expiry or termination of the Non-Compete Agreement, the Trademark Agreement and the ROFR Agreement, our Company may enter into these jurisdictions to compete directly with CBB.

In addition, we have other plans such as increasing our market share in Singapore and Hong Kong, diversifying into secondary and complementary services to widen our revenue streams, and leveraging on the PRC's high birth rate by collaborating with our PRC partners in respect of PRC mothers delivering in Hong Kong. Accordingly, the Non-Compete Agreement is not expected to have a significant impact on the expansion plans and growth of our Company.

The Non-Compete Agreement is conditional upon the ROFR Agreement and the Trademark Agreement not being terminated;

(b) a right of first refusal agreement with CBB (the "**ROFR Agreement**") for a consideration of S$1.00 whereby our Company was granted a right of first refusal to acquire CBB's cord blood banking business in (i) Indonesia and the Philippines for a period of three years and (ii) in India for a period of five years, from 30 June 2011. This agreement, together with the Non-Compete Agreement which prohibits our Company from undertaking any activities or carrying on any business or trade that competes directly with the business carried on or proposed to be carried on by CBB in Indonesia, the Philippines and India for the relevant periods, was entered into pursuant to our plans in respect of our demerger from CBB, to separate the developing businesses owned by the CBB Group, which required continued cash investments from the developed businesses owned by our Group which were cash-flow positive.

The ROFR Agreement is conditional upon the Non-Compete Agreement and the Trademark Agreement not being terminated;

(c) a trademark licence agreement with CBB (the "**Trademark Agreement**") whereby our Company grants to certain subsidiaries of the CBB Group, the non-transferable right and licence (the "**Licensed Right**") of certain trademarks owned by our Company for use in, *inter alia*, Australia, India, the Philippines, Indonesia and Hong Kong. In respect of Hong Kong, where the CBB Group does not have business operations, and Australia, the Licensed Right is only granted to the specific entities of Cordlife Stem Cell and CBB (the "**Licensed Entities**"), respectively, on a non-exclusive basis. In particular, the Trademark Agreement also permits Cordlife Hong Kong the use of the Licensed Right in respect of its umbilical cord tissue banking services. The grant of the Licensed Right to Cordlife Stem Cell was necessary in view of the fact that the umbilical cord tissue banking contracts were entered into between the customers and Cordlife Stem Cell. Accordingly, Cordlife Stem Cell would require the Licensed Right in order to conduct its business.

The following table sets out the relevant trademarks (the "**Trademarks**") which were granted to subsidiaries of CBB Group pursuant to the Trademark Agreement, namely Cordlife Medical Phils., Inc., PT Cordlife Indonesia, Cordlife India and Cordlife Stem Cell. Our Company is not prohibited to grant such rights and licences to the subsidiaries of CBB. In addition, this was a commercial decision between CBB and our Company and is not against the interests of our Group.

No.	Trademark
1.	CORDLIFE
2.	
3.	

The details with respect to the tenure of the Licensed Right are set out as follows:

(a) in respect of Australia and Hong Kong, the expiry of a period of five years from 30 June 2011;

(b) in respect of India, the earlier of (i) the expiry of a period of five years from 30 June 2011 or (ii) the exercise by our Company of its rights pursuant to the ROFR Agreement to acquire the shares of the relevant CBB subsidiary who has business operations in India; or

(c) in respect of Indonesia and the Philippines, the earlier of (i) the expiry of three years from 30 June 2011 or (ii) the exercise by our Company of its rights pursuant to the ROFR Agreement to acquire the shares of the relevant CBB subsidiary who has business operations in either Indonesia and/or the Philippines.

Our Company shall be entitled to terminate the Trademark Agreement upon the occurrence of, *inter alia*, the following events:

(a) the termination of the Co-operation Agreement;

(b) a change of control having occurred in any of the Licensed Entities without the prior consent of our Company, whereby change of control refers to (i) any person is or becomes the beneficial owner, directly or indirectly, of issued shares of the Licensed Entity representing 51% or more of the total voting rights in the relevant Licensed Entity or otherwise acquires (by way of itself, or with or through any concert party), control of the relevant Licensed Entity; (ii) the direct or indirect sale or exchange by the shareholders of the relevant Licensed Entity of 51% of the shares of the relevant Licensed Entity; (iii) a merger of consolidation in which the relevant Licensed Entity is a party and in which the shareholders of the relevant Licensed Entity before such ownership change do not retain, directly or indirectly, at least 49% of the beneficial interest in the voting shares of the relevant Licensed Entity after such transaction; or (iv) an agreement for the sale or disposition by the relevant Licensed Entity of all or substantially all of its assets; or

(c) any corporate action, legal proceedings or other procedure or step taken in relation to CBB or any of the Licensed Entities, as to the suspensions of payments, a moratorium of its indebtedness, winding up, among others.

The arrangement in respect of the Trademark Agreement was made as part of the demerger plans of our Company from CBB and for purposes of furthering the objectives under the Co-operation Agreement. Upon the expiration of the Trademark Agreement, a commercial decision will be made by our Board of Directors as to whether the term of the Trademark Agreement should be extended after taking into consideration the management's recommendations. In particular, the factors to be considered would include, *inter alia*, whether the term of the Co-operation Agreement would be extended, whether CBB would be agreeable to pay for its use of such trademark and whether our Company had exercised its rights pursuant to the ROFR Agreement to acquire the business of a CBB subsidiary in the relevant jurisdiction as stipulated in the ROFR Agreement, which would then render the extension of the Trademark Agreement unnecessary in such jurisdictions.

(d) a co-operation agreement (the "**Cordlife Stem Cell Technology Co-operation Agreement**") with Cordlife Stem Cell, a wholly-owned subsidiary of CBB, for a consideration of S$1.00 whereby our Group will market and sell umbilical cord tissue banking services with Cordlife Stem Cell to any customer of Cordlife Stem Cell, for a period of 18 months from 30 June 2011, and such customer shall enter into the umbilical cord tissue banking contract directly with Cordlife Stem Cell.

The expertise and know-how for the provision of cord tissue banking services was previously developed by CBB in collaboration with Cellresearch Corporation Pte Ltd ("**Cellresearch**"), a third party unrelated to the CBB Group, our Group and Cordlife Stem Cell.

As a result of this collaboration, the strategic alliance agreement dated 11 February 2010, as supplemented by the deed of assignment dated 5 April 2011, was entered into. The strategic alliance agreement includes Australia, the city of Beijing, the province of Guangdong, Hong Kong, Indonesia, the Philippines and Singapore on an exclusive basis and Thailand and India on a non-exclusive basis. Our Company does not make any payment in relation to the strategic alliance agreement. Please refer to the section titled "General and Statutory Information — Material Contracts" of this Prospectus for further details on the strategic alliance agreement and the deed of assignment.

CBB has the relevant expertise in relation to umbilical cord tissue banking. Cellresearch, on the other hand, has the expertise and know-how in relation to the isolation, cultivation and/or use of stem or progenitor cells derived from the umbilical cord tissue. Accordingly, the strategic alliance agreement ensures that Cellresearch can provide the aforementioned services in respect of the cord tissue banked by CBB, by virtue of the technology and know-how possessed by them. Pursuant to the Cordlife Stem Cell Technology Co-operation Agreement, we were granted the rights to use certain technology and expertise with respect to umbilical cord tissue banking pursuant to which we were able to provide umbilical cord tissue banking services currently in Hong Kong.

The Cordlife Stem Cell Technology Co-operation Agreement also entitles our Group to be paid commission by the CBB Group, for the marketing and selling of umbilical cord tissue banking services as well as the processing and storage of umbilical cord tissue. Such commission being equivalent to 70.0% of the total fees paid by the customers to the CBB Group. The commissions payable by the CBB Group accrue on a monthly basis and are paid to our Group on a quarterly basis.

Payments from customers in respect of the umbilical cord tissue banking services would be collected by our Group, on behalf of the CBB Group, subsequent to which it would be paid back to the CBB Group on a quarterly basis after deduction of such amounts, equivalent to the commission payable to us. Such collection services facilitate and provide convenience for customers of the CBB Group as Cordlife Stem Cell does not have any operations in Hong Kong and is thus unable to collect such fees from customers in Hong Kong.

Revenue from umbilical cord tissue banking services in Hong Kong is less than 5.0% of our Group's total revenue in FY2011 and 1Q2012. Accordingly, our Company is of the view that the umbilical cord tissue banking technology is currently not material to our Company.

Upon the expiration of the aforementioned strategic alliance agreement in February 2013, our Company intends to enter into a similar agreement directly with Cellresearch in respect of the provision of umbilical cord tissue banking services in Singapore and Hong Kong. Accordingly, our Company intends to then cease the grant of the Licensed Right to Cordlife Stem Cell.

The Cordlife Stem Cell Technology Co-operation Agreement is conditional upon the ROFR Agreement and the Trademark Agreement not being terminated;

(e) a co-operation agreement with CBB, as supplemented on 5 January 2012 (the "**Co-operation Agreement**") for a consideration of S$1.00 whereby (i) our Group will market and sell Cord Blood Banking Services on behalf of the CBB Group to any of our customers who wishes to store cord blood units in Indonesia, India and the Philippines for a period of three years from 30 June 2011 in relation to Indonesia and the Philippines and for a period of five years from 30 June 2011 in relation to India and (ii) the CBB Group will market and sell Cord Blood Banking Services on behalf of our Group to any of its customers who wishes to store cord blood units in Singapore and Hong Kong for a period of three years from 30 June 2011.

For every referral that either (i) our Group refers to the CBB Group or (ii) the CBB Group refers to our Group, each of our Group or CBB Group shall respectively be entitled to receive a commission equivalent to 50.0% of the first instalment payable by customers under the prevailing annual plans. Such commissions are accrued on a monthly basis and are paid on a quarterly basis.

The Co-operation Agreement is conditional upon the ROFR Agreement and the Trademark Agreement not being terminated; and

(f) a provision of service agreement with CBB (the "**Provision of Service Agreement**") whereby CBB agrees to provide consulting services that our Company may from time to time require, principally in the areas of quality assurance and information technology, and the scope of such services may expand to include further services that our Company may in future require, for a period of five years from 30 June 2011. The type of information technology services provided by the CBB Group included development of software programmes for data analysis on a project basis and the instances whereby the CBB Group had provided quality assurance advisory services. The payment by our Company to the CBB Group in consideration for its provision of such services is computed based on the man-hour rate of the relevant employee in question that is provided by CBB to our Company or such other rates to be agreed by the CBB and our Company pursuant to the terms of the Provision of Service Agreement.

On 1 January 2012, we ceased all transactions in respect of such services relating to information technology and quality assurance. Please refer to the section titled "Interested Person Transactions — Present Interested Person Transactions which would Cease Prior to or Upon our Listing on the Main Board of the SGX-ST — Provision of Service Agreement between CBB and our Company" for further details.

The Provision of Service Agreement is conditional upon the ROFR Agreement and the Trademark Agreement not being terminated.

Upon the expiration of any one of the Agreements, our Board of Directors will determine whether to extend the term of such Agreement, taking into consideration the management's recommendations.

On 14 May 2011, CBB and our Company entered into the Bond Deed with the CBB Bond Holder pursuant to which, CBB secured access to working capital of approximately A$7.4 million.

Pursuant to the terms of the Bond Deed, the CBB Bond Holder was granted, *inter alia*, (a) one option (the "**A$0.40 Option**"), which is exercisable into 21,800,000 shares in the capital of CBB at the exercise price of A$0.40 per share and (b) the CBB Option, which is exercisable into 21,800,000 Shares, at no consideration. The exercise price in respect of the A$0.40 Option was determined based on negotiations between CBB and the CBB Bondholder.

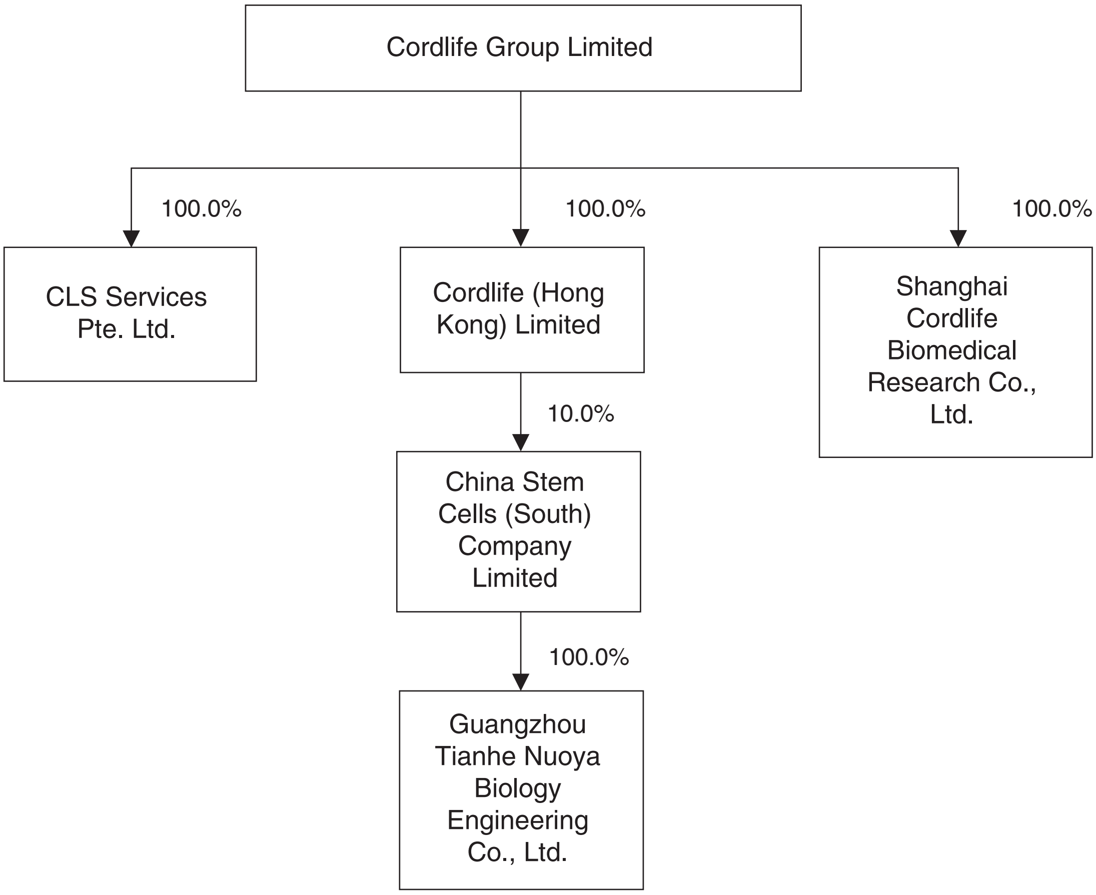
The CBB Option was granted for the purpose of ensuring that the CBB Bond Holder would be placed in the same position as the shareholders of CBB who received Shares pursuant to the distribution in specie exercise during the demerger of our Company from CBB, as such, similar to the shareholders of CBB who did not pay for the Shares they received pursuant to the in specie distribution, no exercise price was required for the CBB Option. Pursuant to the terms of the Bond Deed, the A$0.40 Option and the CBB Option will be automatically exercised at the exercise price of A$0.40 per share and the CBB Bond Holder will receive 21,800,000 shares in CBB and 21,800,000 Shares upon our admission on the Main Board of the SGX-ST, respectively. As such, the CBB Bond Holder would hold 9.37% of our share capital, immediately after the Invitation and exercise of the CBB option, and would accordingly become our Substantial Shareholder. Upon the exercise of the A$0.40 Option, the CBB Bond Holder would be deemed to have given a redemption notice to CBB (the "**Redemption Date**") and the relevant bond would be redeemed by CBB at the amount of A$7.4 million together with a 15.0% interest per annum, in aggregate, of approximately A$8.3 million (the "**Redemption Amount**"), payable under the Bond Deed. As the CBB Bond Holder would be required to pay CBB approximately A$8.7 million pursuant to the exercise of the A$0.40 Option, such amount would be offset against the Redemption Amount and the difference of approximately A$420,000 would be payable by the CBB Bond Holder within seven days of the Redemption Date.

After the completion of the abovementioned distribution, the shareholdings of our Directors and direct Substantial Shareholders immediately after the restructuring exercise were as follows:

Name of Shareholder	Number of Shares (immediately after the restructuring exercise)	Percentage of our Company's pre-Invitation share capital (%)
Directors		
Dr Ho Choon Hou	529,061	0.35
Mr Yee Pinh Jeremy	1,326,034	0.88
Ms Jin Lu	650,000	0.43
Mr Ho Sheng	—	—
Dr Goh Jin Hian	—	—
Mr Ng Tiak Soon	—	—
Substantial Shareholders		
China Stem Cells (East) Company Limited	24,366,666	16.15
Jayhawk Private Equity Fund II, L.P.	9,706,914	6.43
Wells Spring Pte Ltd	8,000,000	5.30
Existing ASX Shareholders	106,308,679	70.46
Total	**150,887,354**	**100.00**

GROUP STRUCTURE

Our Group structure, including our associated companies, immediately after the Restructuring Exercise and as at the date of this Prospectus is as follows:



The details of our subsidiaries and associated companies as at the date of this Prospectus are as follows:

Name	Date/Country of Incorporation	Principal Place of Business	Principal Activities	Issued and Paid-up Share Capital/Paid-up Registered Capital	Effective Equity Interest Held by our Company
CLS Services Pte. Ltd.	28 July 2005/ Singapore	Singapore	Dormant	S$972,515.43	100.0%
Cordlife (Hong Kong) Limited	12 June 2000/Hong Kong	Hong Kong	Cord blood banking and umbilical cord tissue banking	HK$67,183,035	100.0%
Shanghai Cordlife Biomedical Research Co., Ltd.	4 March 2003(1)/ PRC	PRC	Marketing activities(2)	US$140,000	100.0%
China Stem Cells (South) Company Limited	11 September 2006/ British Virgin Islands	British Virgin Islands	Investment holding	US$1,000	10.0%
Guangzhou Tianhe Nuoya Biology Engineering Co., Ltd.	27 June 1997(3)/ PRC	PRC	Cord blood banking	RMB50,290,183	10.0%

Notes:

(1) The term of operation of Shanghai Cordlife Biomedical Research Co., Ltd. is from 4 March 2003 to 3 March 2023. Mr Yee Pinh Jeremy has been appointed the legal representative of this entity since 30 June 2011.

(2) Shanghai Cordlife Biomedical Research Co., Ltd. is in the process of establishing a branch office in in Shenzhen, Guangzhou, which will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong. Please refer to the section titled "History and Business — Business Overview" for further details.

(3) The term of operation of Guangzhou Tianhe Nuoya Biology Engineering Co., Ltd. is from 27 June 1997 to 17 August 2037.

Our subsidiaries and associated companies are not listed on any stock exchange.

None of our Independent Directors currently sit on the board of our principal subsidiary, Cordlife Hong Kong.

PRINCIPAL SHAREHOLDERS

Ownership Structure

The Shareholders of our Company and their respective shareholdings immediately before the Invitation, immediately after the Invitation and immediately after the Invitation and the exercise of the CBB Option are set out as follows:

	Immediately before the Invitation[1]				Immediately after the Invitation				Immediately after the Invitation and exercise of the CBB Option			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors												
Dr Ho Choon Hou	529,061	0.35	—	—	529,061	0.25	—	—	529,061	0.23	—	—
Mr Yee Pinh Jeremy	1,326,034	0.88	—	—	1,326,034	0.63	—	—	1,326,034	0.57	—	—
Ms Jin Lu	650,000	0.43	—	—	650,000	0.31	—	—	650,000	0.28	—	—
Mr Ho Sheng	—	—	—	—	—	—	—	—	—	—	—	—
Dr Goh Jin Hian	—	—	—	—	—	—	—	—	—	—	—	—
Mr Ng Tiak Soon	—	—	—	—	—	—	—	—	—	—	—	—
Substantial Shareholders												
China Stem Cells (East) Company Limited	24,366,666	16.15	—	—	24,366,666	11.55	—	—	24,366,666	10.47	—	—
CBB[2]	—	—	150,887,354	100.00	—	—	—	—	—	—	—	—
China Cord Blood Services Corporation[3]	—	—	24,366,666	16.15	—	—	24,366,666	11.55	—	—	24,366,666	10.47
China Cord Blood[3]	—	—	24,366,666	16.15	—	—	24,366,666	11.55	—	—	24,366,666	10.47
China Stem Cells Holdings Ltd[3]	—	—	24,366,666	16.15	—	—	24,366,666	11.55	—	—	24,366,666	10.47
Golden Meditech Holdings Limited[3]	—	—	24,366,666	16.15	—	—	24,366,666	11.55	—	—	24,366,666	10.47
Golden Meditech Stem Cells Company Limited[3]	—	—	24,366,666	16.15	—	—	24,366,666	11.55	—	—	24,366,666	10.47
CBB Bond Holder[4]	—	—	—	—	—	—	—	—	21,800,000	9.37	—	—
Jayhawk Private Equity Fund II, L.P.[5]	9,706,914	6.43	—	—	9,706,914	4.60	—	—	9,706,914	4.17	—	—
Wells Spring Pte Ltd[6]	8,000,000	5.30	—	—	8,000,000	3.79	—	—	8,000,000	3.44	—	—
Existing ASX Shareholders	106,308,679	70.46	—	—	106,308,679	50.41	—	—	106,308,679	45.69	—	—
Public	—	—	—	—	60,000,000	28.45	—	—	60,000,000	25.79	—	—
Total	**150,887,354**	**100.00**	**—**	**—**	**210,887,354**	**100.00**[7]	**—**	**—**	**232,687,354**	**100.00**[7]	**—**	**—**

Notes:

(1) Save for the CBB Bond Holder, this sets out our Shareholders subsequent to the distribution *in specie* exercise undertaken on 30 June 2011, where each shareholder of CBB (as at the record date) was entitled to receive our Shares in the proportion of their shareholding interest in CBB.

(2) CBB is deemed interested in all our issued Shares by virtue of the "A" Preference Share held by it, pursuant to which CBB is entitled to acquire all our issued Shares should the Invitation not proceed by 31 March 2012.

(3) As at the Latest Practicable Date, Golden Meditech Holdings Limited (a company listed on The Hong Kong Stock Exchange) holds 100% of the share capital of Golden Meditech Stem Cells Company Limited, which holds 41.01% of the share capital China Cord Blood (a company listed on the New York Stock Exchange). China Cord Blood in turn holds 100% of the share capital China Cord Blood Services Corporation, which holds 100% of the share capital of China Stem Cells Holdings. China Stem Cells Holdings holds 100% of China Stem Cells (East) Company Limited, which holds 16.15% of the Shares in our Company. As such, each of Golden Meditech Holdings Limited Holdings Limited, Golden Meditech Stem Cells Company Limited, China Cord Blood, China Cord Blood Services Corporation, China Stem Cells Holdings is deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 7 of the Companies Act.

(4) Pursuant to the terms of the Bond Deed, the CBB Option will have to be exercised upon our admission to the Official List of the SGX-ST. In this regard, the CBB Bond Holder has been listed as a Substantial Shareholder in the aforementioned table as it will become a Shareholder upon the exercise of such CBB Option. Please refer to the section titled "General Information on our Group' Restructuring Exercise" for further details on the Bond Deed. City Challenge Global Limited, the CBB Bond Holder, is an investment holding company incorporated in the British Virgin Islands. The sole shareholder of City Challenge Global Limited is Mr Lau Wai Chi Stellan. Mr Lau Wai Chin Stellan is therefore deemed to be interested in the Shares which will be held by the CBB Bond Holder pursuant to the exercise of the Bond Deed, by virtue of Sections 7(4) and 7(4A) of the Companies Act. Neither the CBB Bond Holder nor Mr Lau Wai Chi Stellan is related to our Directors or Substantial Shareholders.

(5) Jayhawk Private Equity Fund II, L.P. ("**JPEF**") is a company incorporated in Delaware. It is a private equity investment fund managed by Jayhawk Private Equity GP II, L.P. ("**JPEGP**"), which is in turn managed by Jayhawk Private Equity, LLC ("**JPELLC**"). JPELLC is managed by Mr Kent McCarthy on a full discretionary basis. Each of JPEGP, JPELLC and Mr Kent McCarthy is therefore deemed to be interested in the Shares held by JPEF by virtue of Sections 7(4) and 7(4A) of the Companies Act. Neither JPEF, JPEGP, JPELLC or Mr Kent McCarthy is related to our Directors or Substantial Shareholders.

(6) Wells Spring Pte Ltd ("**Wells Spring**") is an investment holding company incorporated in the British Virgin Islands. The sole shareholder of Wells Spring is Tai Tak Estates Sendirian Berhad ("**Tai Tak**"). SG Investments Pte. Ltd. ("**SG Investments**") holds 44.0% of Tai Tak, with the remaining 56.0% held by several individuals, each with a shareholding interest of less than 20.0% in Tai Tak. Each of Mr Christopher Ho Han Siong, Mr Calvin Ho Han Leong and Mr Ho Han Seng holds more than 20.0% of SG Investments. Accordingly, each of Mr Christopher Ho Han Siong, Mr Calvin Ho Han Leong and Mr Ho Han Seng is therefore deemed interested in the Shares held by Wells Spring by virtue of Sections 7(4) and 7(4A) of the Companies Act. In addition, Mr Christopher Ho Han Siong also directly holds 1,4219,250 Shares. Neither Mr Christopher Ho Han Siong, Mr Calvin Ho Han Leong nor Mr Ho Han Seng is related to our Directors or Substantial Shareholders.

(7) Shareholding does not add up to 100.00% due to rounding differences.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares which are the subject of the Invitation.

Our Non-executive Director, Ms Jin Lu, sits on the board of Golden Meditech Holdings Limited, a company listed on the Hong Kong Stock Exchange. Golden Meditech Holdings Limited is deemed to be interested in the Shares held by China Stem Cells (East) Company Limited, representing approximately 16.15% of our pre-Invitation Share capital, by virtue of Sections 7(4) and 7(4A) of the Companies Act. Save as disclosed above, there are no other relationships between our Directors and Substantial Shareholders.

Save as disclosed above, our Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person whether severally or jointly.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in the control of our Company.

Significant Changes in the Percentage of Shareholdings

Save as disclosed under the sections titled "General Information on our Group — Restructuring Exercise" and "General Information on our Group — Share Capital" of this Prospectus, there are no significant changes in the percentage of shareholdings of our Company during the last three financial years and up to the Latest Practicable Date.

MORATORIUM

To demonstrate their commitment to our Group, City Challenge Global Limited which will hold 21,800,000 Shares, representing 9.37% of our enlarged issued and paid-up share capital after the Invitation and after the exercise of the CBB Option, has undertaken not to sell, transfer, dispose or realise any part of such interests, directly or indirectly, in our Company for a period of 12 months from the date of our Company's admission to the Official List of the SGX-ST.

China Stem Cells (East) Company Limited which holds 24,366,666 Shares, representing 10.47% of our enlarged issued and paid-up share capital after the Invitation and after the exercise of the CBB Option, has undertaken not to sell, transfer, dispose or realise any part of such interests, directly or indirectly, in our Company for a period of six months from the date of our Company's admission to the Official List of the SGX-ST.

In addition, China Cord Blood Corporation (as the indirect sole shareholder of China Stem Cells (East) Company Limited) has undertaken not to sell, transfer, dispose or realise any part of its effective shareholding interest in our Company for a period of six months commencing from the date of admission of our Company to the Official List of the SGX-ST.

Each of our Directors, Dr Ho Choon Hou, Mr Yee Pinh Jeremy and Ms Jin Lu who hold 529,061 Shares, 1,326,034 Shares and 650,000 Shares, representing 0.23% and 0.57% and 0.28% of our enlarged issued and paid-up share capital after the Invitation and after the exercise of the CBB Option, respectively, has undertaken not to sell, transfer, dispose or realise any part of such interests, directly or indirectly, in our Company for a period of six months from the date of our Company's admission to the Official List of the SGX-ST.

HISTORY

Incorporation

Our Company was incorporated on 2 May 2001 and subsequently received the licence to operate our first cord blood banking facility from the MOH in June 2002. In November 2002, we released a processed cord blood unit for a stem cell transplant for a patient suffering from leukaemia. It was the first processed cord blood unit to be released from a private cord blood bank in Singapore.

Listing of CBB, our previous holding company

In April 2003, our Company merged with Cytomatrix LLC. The holding company of our Company and Cytomatrix LLC, Cygenics Limited (which was subsequently renamed CBB), was subsequently listed on the Australian Securities Exchange in June 2004. In June 2007, Cygenics Limited (which was subsequently renamed CBB) disposed of Cytomatrix LLC and was renamed "Cordlife Limited".

Expansion of our operations in Singapore and Hong Kong

In September 2004, to cater to the increase in demand for our Cord Blood Banking Services, we expanded our then existing cord blood banking facility in Singapore at Camden Medical Centre.

In April 2003, our Company and Mr Fang Boon Sing (who was then a director of Cordlife Hong Kong), together purchased the whole issued capital of Cordlife Hong Kong from two third parties, Mr Wang Jing and Mr Ku Hung Fai. The purchase resulted in our Company holding 99,999 shares and Mr Fang Boon Sing holding 1 share, in Cordlife Hong Kong. Subsequently, Cordlife Hong Kong also issued and allotted shares to a third party, BS Fund Management Pte Limited, in February 2005. This coupled with the shares in Cordlife Hong Kong which were issued and allotted to Cygenics Limited (which was subsequently renamed CBB) at the same time, resulted in Cygenics Limited (which was subsequently renamed CBB) holding a 51.0% interest in Cordlife Hong Kong. Subsequently, our Company acquired from Cygenics Limited (which was subsequently renamed CBB) this 51.0% interest in Cordlife Hong Kong pursuant to an agreement for the sale of shares dated 23 September 2010. Please refer to the section titled "Interested Person Transactions — Past Interested Person Transactions — Acquisition of Cordlife Hong Kong and CLS Services" for further details.

In March 2005, we began operating in Hong Kong through the entity we had purchased previously, Cordlife Hong Kong, with the intention of entering the cord blood banking market in Hong Kong and the PRC. Our Singapore facility was granted the AABB accreditation in September 2005.

In August 2007, Cordlife Hong Kong achieved the ISO 9001:2000 certification.

Further expansion of our operations in Singapore and Hong Kong and our investment in Guangzhou Tianhe Nuoya

In February 2008, we vacated the premises at Camden Medical Centre and in April 2008, we launched our facility in Singapore at our current location at 61 Science Park Road due to a strong growth in the demand for our Cord Blood Banking Services. In July 2008, Cordlife Hong Kong opened a sales and marketing office in Kowloon, Hong Kong, to serve the growing demand for Cord Blood Banking Services in the Hong Kong market.

In 30 October 2009, CBB invested a sum of US$10 million for a 10.0% equity stake in China Stem Cells (South) Company Limited, which holds the entire equity interest in Guangzhou Tianhe Nuoya Biology

Engineering Co., Ltd., a company engaged in the business of, *inter alia*, providing Cord Blood Banking Services in Guangdong. CBB had acquired the 10.0% equity stake from two third parties, Right Plan Limited and Mr Lau Wai Chi Stellan.

Internal Restructuring

In June 2010, pursuant to a share sale deed dated 17 May 2010 entered into between BS Fund Management Pte Limited, CBB and Cordlife Hong Kong, CBB acquired the remaining 49.0% equity interest in Cordlife Hong Kong which it did not own, from BS Fund Management Pte Limited. The consideration in respect of this acquisition was for a total of approximately S$3.5 million comprising S$2,700,000 in cash and 1,500,000 issued shares in the capital of CBB, which were valued at approximately S$800,000 (collectively the "**Cordlife Hong Kong Consideration**"). The Cordlife Hong Kong Consideration was commercially negotiated between CBB and BS Fund Management Pte Limited. The current shareholders of BS Fund Management Pte Limited are two individuals, Mr Ng Ah Hua and Ms Ng Sok Eng.

In September 2010, the equity interest in China Stem Cells (South) Company Limited was transferred from CBB to Cordlife Hong Kong. Cordlife Hong Kong was then transferred to our Company in the same year pursuant to an agreement for the sale of shares dated 23 September 2010 entered into between CBB and our Company. CBB had transferred Cordlife Hong Kong to our Company for a cash consideration of HK$23,540,254 and this purchase price was determined based on the cost of CBB's investment in Cordlife Hong Kong previously. CBB had invested an aggregate of HK$23,540,254 in respect of their investment in Cordlife Hong Kong previously.

Our clinical leadership milestones

In September 2009, we released a processed cord blood unit for a patient suffering from cerebral palsy, which was the first medical treatment of its kind in Singapore. In February 2010, Cordlife Hong Kong launched its current facility and offices at 11 Science Park West Avenue to cater to the growth in demand for its Cord Blood Banking Services.

In January 2011 and March 2010 respectively, we released a processed cord blood unit, stored in our Hong Kong facility and Singapore facility, for the first autologous treatment of neuroblastoma in Hong Kong and Singapore respectively.

In March 2011, we launched the provision of umbilical cord tissue banking services in Hong Kong.

Demerger from CBB

On 30 June 2011, CBB undertook a distribution *in specie* exercise, pursuant to which the entire issued share capital of our Company was distributed to CBB's shareholders, resulting in the demerger of our Company from our parent company, CBB. Please refer to the section titled "General Information on Our Group — Restructuring Exercise — Demerger from CBB" of this Prospectus for further details on the distribution *in specie* exercise. This demerger exercise was undertaken with a view to enhance Shareholder value. By separating the developing businesses owned by the CBB Group, which required continued cash investments from the developed businesses owned by our Group which were cash-flow positive, Shareholders would have the opportunity to directly participate in the developed businesses by directly holding our Shares. As opposed to our Group which owns the developed cord blood banking businesses in Singapore and Hong Kong, the CBB Group owns the developing cord blood banking businesses in Indonesia, the Philippines and India. Our Company's growth strategy includes accretive acquisitions in the future. Acquisitions of cord blood banking businesses in Indonesia, the Philippines and/or India, pursuant to the ROFR Agreement, when these entities turn profitable or are turning profitable are accordingly in-line with this strategy and are not inconsistent with the demerger.

In connection to this distribution *in specie* exercise, we also entered into, among others, the ROFR Agreement with CBB pursuant to which we were granted a right of first refusal to acquire CBB's cord blood banking businesses in Indonesia, the Philippines and India, should CBB propose to sell their cord blood banking businesses in these jurisdictions. In addition, we also entered into the Co-operation Agreement, pursuant to which both CBB and our Company agree to market and sell the Cord Blood Banking Services, on behalf of the other party, to potential customers who intend to store the cord blood units in a jurisdiction(s) in which the other party operates in.

AABB Accreditation

In October 2011, our Company was re-accredited by AABB and our Hong Kong facility was granted the AABB accreditation.

Expansion into the India market

On 7 March 2012, our Company entered into a subscription agreement with CSCT pursuant to which we invested S$1.5 million (the "**Investment Amount**") in Cordlife India through the subscription of the Bonds issued by CSCT. The investment amount of S$1.5 million is intended for the expansion of operations of CSCT and Cordlife India only. This sum will be financed by the internally generated funds of our Company. CSCT holds 85.0% of Cordlife India. The remaining 15.0% interest in Cordlife India is held by an unrelated third party. CSCT is an investment holding company and has no operating businesses. Pursuant to the terms of the subscription agreement, the Investment Amount will be contributed in one tranche. Our Company saw growth opportunities in India and this investment is in line with our Group's strategy to expand into other markets within the Asian region. Please refer to the sections titled "Prospects, Strategies and Future Plans — Strategies and Future Plans — Growth through accretive acquisitions in selected markets" and "Interested Person Transactions — On-going Transactions — (7) Investment in Cordlife India" for further details.

The Non-Compete Agreement prohibits our Company from undertaking any activities or carrying on any business or trade that competes directly with the business carried on or proposed to be carried on by CBB in Indonesia, the Philippines and India for the relevant periods. Please refer to the section titled "General Information on Our Group — Restructuring Exercise — Demerger from CBB" of this Prospectus for further details. Our investment in Cordlife India is not inconsistent with the terms of the Non-Compete Agreement and the Non-Compete Agreement does not prohibit, and is not inconsistent, with our future plan and growth strategy to acquire, if so offered by CBB under the ROFR Agreement, CBB's entities or operations in the jurisdictions within the scope of the Non-Compete Agreement. Our Company has a right to acquire these entities or operations pursuant to our rights under the ROFR Agreement. The term of the Non-Compete Agreement is the same as the term of the ROFR Agreement in relation to the jurisdictions mentioned above. Upon the expiry or termination of the Non-Compete Agreement, the Trademark Agreement and the ROFR Agreement, our Company may enter into these jurisdictions to compete directly with CBB.

BUSINESS OVERVIEW

We are amongst the first private cord blood banks in Asia. Our business is focused on providing Cord Blood Banking Services which include the collection, processing, testing, cryopreservation and storage of umbilical cord blood at birth. In March 2011, we also launched the provision of umbilical cord tissue banking services in Hong Kong, which comprise the collection, processing, testing, cryopreservation and storage of the umbilical cord tissue itself. As compared to cord blood which is a rich source of haematopoieic stem cells, cord tissue is a rich source of mesenchymal and epithelial stem cells and may help repair the body in different ways.

We currently provide Cord Blood Banking Services in Singapore and Hong Kong. We also provide Cord Blood Banking Services to customers from Indonesia, Macau and the Philippines. Cord blood collected from our customers from Indonesia and the Philippines are stored in our storage facilities in Singapore, whilst cord blood collected from our customers from Macau are processed, tested and stored in our facilities in Hong Kong. The Cord Blood Banking Services provided to our customers in Indonesia and the Philippines are provided pursuant to the Co-operation Agreement, whereby the CBB Group would market and sell Cord Blood Banking Services on behalf of our Group to any customer who wishes to store the cord blood units in Singapore or Hong Kong.

Pursuant to the marketing collaboration agreement dated 18 May 2011 entered into between Cordlife Hong Kong and China Cord Blood, we are also able to gain access to PRC expectant mothers in Beijing and the Guangdong and Zhejiang provinces who intend to deliver in Hong Kong and can therefore provide Cord Blood Banking Services to such customers, in Hong Kong. For the avoidance of doubt, the storage of cord blood units of our customers from Macau are not covered under this marketing collaboration agreement. Sales and marketing activities in respect of Macau are undertaken directly by Cordlife Hong Kong.

Our subsidiary, Cordlife Shanghai, is a wholly-owned foreign enterprise and was previously a dormant company. In January 2012, Cordlife Shanghai began the process of establishing a branch office in Shenzhen, Guangzhou, which will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong by educating expectant mothers in the Guangdong province who intend to deliver in Hong Kong about the benefits of cord blood banking, thus increasing their awareness towards such benefits. We believe that through the establishment of this branch office, coupled with the marketing collaboration agreement we have in place with China Cord Blood, we will be able to intensify our marketing efforts in the Guangdong province, which may in turn contribute to the expansion of our business operations in Hong Kong when these expectant mothers choose to store the cord blood units with us after delivery in Hong Kong.

Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in it) is engaged in the business of providing Cord Blood Banking Services in Guangdong and is currently the sole licence-holder for the operation of a cord blood bank in Guangdong. Our Company's investment in the PRC, through Guangzhou Tianhe Nuoya, is material to our Group's overall business as it contributed 6.9%, 19.8% and 21.8% to our Group's net profit for FY2010, FY2011 and 1Q2012. There was no contribution in FY2009.

Our processing facilities are located in Singapore and Hong Kong and we currently have stored in excess of 35,000 cord blood units in these two locations. We launched umbilical cord tissue banking services in Hong Kong in March 2011 to complement our cord blood banking services pursuant to the Cordlife Stem Cell Technology Co-operation Agreement. Please refer to the sections titled "General Information on our Group — Restructuring Exercise" and "History and Business — Collaboration" of this Prospectus.

Our Cord Blood Banking Services permits our customers to preserve their child's stem cells contained in the umbilical cord blood and the umbilical cord tissue storage services that we launched in Hong Kong also permits our customers in Hong Kong to collect and store their child's umbilical cord tissue, which may be used for treatment if their child so requires during his or her lifetime. Under certain conditions, cord blood may also be used to treat a sibling or family member as well.

Stem cells from the umbilical cord have a number of potential uses and are considered particularly promising for medical therapies. Significantly, the collection and use of stem cells can be clearly distinguished from the collection and use of stem cells taken from embryo (embryonic stem cells). While the use of embryonic stem cells in research may be controversial, due to ethical concerns, several religious groups, pro-life societies and regulators have expressed their support for stem cells for research and medical use. We have never been and we do not intend to be involved in the collection and storage of embryonic stem cells.

The provision of Cord Blood Banking Services has been our core business since our incorporation. The collection, processing, testing, cryopreservation and storage of umbilical cord tissue, was an additional service offering launched in March 2011 for customers who subscribe for our services in Hong Kong. In addition, we are currently also exploring the possibility of offering umbilical cord tissue banking services in Singapore. This sum will be financed by the internally generated funds of our Company. However, the medical technology related to umbilical cord tissue is currently still at a developmental and experimental stage.

CORD BLOOD BANKING PROCESSES

Storage of cord blood consists of the major steps as set out below.

Collection

Prior to the delivery, our customers are provided with a personalised collection kit with, *inter alia*, the relevant apparatus and blood bag which are appropriately labelled with their name. Immediately after the delivery of a baby, the cord is clamped and cut and the baby is separated from the cord. Thereafter, the baby is moved from the birthing area. The doctor involved in the delivery process then collects the umbilical cord blood by inserting the needle of a blood bag into the umbilical vein, and drains the blood into the blood bag. Collection using a blood bag instead of a syringe significantly reduces the chances of contamination and sample mix-up of cord blood units. When the flow of blood stops, the doctor clamps the tubing of the blood bag to prevent backflow. Once clamped, the blood bag forms a closed system. The blood bag is then labelled and sealed in a separate biohazard bag by the doctor before being delivered to our facility for processing, testing, cryopreservation and storage. As the cord blood is collected in a blood bag, the risk of subsequent contamination of the cord blood unit is nullified.

At the time of collection of the cord blood from the baby's umbilical cord, a small blood sample is also drawn from the mother for purposes of testing.

The collection process is not conducted by our employees and we have no control over the process. The decision on whether to collect the cord blood lies with the doctor and other caregivers involved in the delivery process, whose main priority is the safety of the mother and baby. Although we are not responsible for the collection, we provide a kit that contains the necessary materials, including the blood bag, for the collection procedure.

Transportation

Prior to the transportation of the cord blood unit from the hospital to our facility, all the necessary documents would have been verified and that the necessary labels have been attached correctly. With respect to cord blood units collected in Singapore, such verification is undertaken by the relevant hospital personnel. With respect to cord blood units collected in Hong Kong as well as in Indonesia and the Philippines pursuant to the Co-operation Agreement, such verification is undertaken by our staff.

Transportation to our Singapore Facility

For deliveries in Singapore, cord blood units are collected twice daily from the respective hospitals by a third-party courier. In respect of deliveries outside of Singapore from Indonesia and the Philippines, the cord blood units are collected and couriered via air to our facility located in Singapore.

We only engage the services of third-party couriers whom through our supplier selection process are deemed to possess the necessary qualifications in the proper handling of human tissue to ensure that the cord blood is brought back to our processing and storage facility within the shortest time.

Transportation to our Hong Kong Facility

For deliveries in Hong Kong and Macau, cord blood units are collected from the respective hospitals within 12 hours by our own staff. Similarly, deliveries outside of Hong Kong and Macau are carried out by qualified couriers.

Testing

A wide range of tests is conducted on the maternal blood sample collected during delivery in order to determine the suitability of the cord blood unit for storage. These tests are outsourced to third-party laboratories, including Quest Laboratories Pte Ltd and National University Hospital in Singapore as well as Queen Mary Hospital and Pathlab Medical Laboratories Limited in Hong Kong.

A small sample of the cord blood units is also tested for viability, contamination and various enumerations of particular cell types. Based on these tests and other acceptance criteria, our medical directors will determine if the cord blood units are suitable for storage.

Processing

Cord blood units should arrive in our facilities and be processed within 48 hours of collection. We process cord blood units using either an automated or manual processing system. Once the cord blood has been processed, a small sample is then tested for, among other things, cell count, viability and bacterial contamination. This enables us to ensure that the maximum number of cells are still viable and can be used in the future.

Automated System

A majority of our cord blood units are processed using the Sepax®, an automated cell separation device that allows safe and efficient processing of cord blood. The Sepax® is an automated device that requires no operator intervention during the separation procedure. It therefore minimises human error.

The blood bag containing the cord blood unit is first cleaned and then connected to the processing sets under sterile conditions before the closed system is loaded into the Sepax® main processing unit. Cell separation is then undertaken automatically and this allows the cord blood units to be processed and stored without exposing it to the environment. The adoption of this method minimises the risk of contamination and human error. Other benefits of adopting this automated system include, *inter alia*, higher recovery rate in respect of the number of stem cells that can be harvested from the cord blood.

Manual Processing

With respect to the manual method of processing, the blood bag which contains the cord blood unit is cleaned before it is connected to a processing set under sterile conditions, which comprises a set of three integrated bags (triple bag). The cord blood unit is then processed manually by our technician using a validated process based on density gradient centrifugation.

The triple bag system allows the cord blood units to be processed and stored without exposing it to the environment during processing which in turn minimises the risk of contamination and human error.

Storage

After processing, the processed cord blood units are then transferred to a dual-compartment freezing bag, consisting of a 20%-compartment and a 80%-compartment, with integrally attached segments. Dual-compartment offers flexibility of future use where customers may use one of the compartments while storing the other for future use. The integrally attached segments also allow for any further testing of the processed cord blood unit without compromising the whole processed cord blood unit. The freezing bags are designed for storage in very low temperatures.

Once all test results have been obtained and the processed cord blood unit is determined to be eligible for storage, the processed cord blood unit is then released for permanent storage.

The processed cord blood units are first gradually cooled using a computer-controlled freezer. Subsequently, they are stored in the vapour phase of liquid nitrogen in our storage tanks. We maintain our tanks below minus 150 degrees Celsius, as stipulated by the AABB standards.

ISSUE OF PROCESSED CORD BLOOD UNIT

In the event the processed cord blood unit is requested by the client for use, we will liaise with the transplant physician on the product characteristics and certain other aspects of the procedure including whether any testing needs to be carried out on the processed cord blood units and the delivery of the processed cord blood unit. In some instances, we are also required to report to the relevant health authorities with respect to the release of the processed cord blood unit for transplantation. With respect to transplantations undertaken in Singapore, we would have to report the issuance of such processed cord blood unit to the MOH. There is no requirement under the Hong Kong regime for us to report such issuances.

We will also follow up on the clinical outcome of such transplant.

CORD TISSUE PROCESSING

In March 2011, we also launched the provision of umbilical cord tissue banking services in Hong Kong which comprise the collection, processing, testing, cryopreservation and storage of the umbilical cord itself. Storage of cord tissue allows for other types of stem cells to be made available for potential future therapeutic use. We employ a process similar to cord blood banking. The umbilical cord tissue is collected by the obstetrician, delivered to our facility for processing, after which it is tested by third-party laboratories and subsequently stored in our facilities.

BACK UP PROCEDURES

We have adopted a number of back up procedures to assist in safeguarding the integrity of our operations.

The facilities in which we house our operations have standby generators. In addition we also have batteries which are an uninterrupted power supply, which can maintain the operation of certain critical equipment, such as the Sepax® device, during occurrences of power failures until the standby generator starts up.

The use of liquid nitrogen also significantly mitigates the risk of power failure. In the event of a prolonged power disruption, liquid nitrogen can keep our storage tanks at a temperature below minus 150 degrees Celsius for up to two weeks without electricity. In the unlikely event that a power disruption lasts more than a week, the liquid nitrogen which is fed into our storage tanks from a supply tank can be replenished manually.

We have also invested in an internal monitoring system that measures critical parameters within the storage tanks and will notify designated staff in the event such parameters exceed the pre-set range.

Our processing facilities in Singapore and Hong Kong operate similarly. As such, they act as natural back-up for each other in the event of severe disruption in either facility.

COLLABORATION

In line with our corporate objective of increasing awareness of cord blood banking amongst the public, our Group actively seeks out various hospitals and corporate partners with whom we can establish a collaborative relationship. In 2009, we entered into agreements with East Shore Hospital Pte. Ltd. (now known as Parkway East Hospital), Raffles Hospital and Thomson Medical Pte Ltd ("**Thomson Medical**"), all located in Singapore, for various periods ranging between 12 to 36 months, whereupon parties to the agreements agreed to collaboratively undertake various educational programmes which seek to increase awareness of our cord blood banking services to expectant mothers who will be delivering in the respective hospitals. Such efforts include, *inter alia*, the establishment of an information counter bearing our corporate identity, establishment of an antenatal class which introduces attendees to the benefits of cord blood banking, organisation of collaborative public outreach programmes at least bi-annually, participation by our Company at tea sessions organised by the relevant hospital and permitting our Company's presence at antenatal classes organised by the doctors from Thomson Medical.

On 18 May 2011, our subsidiary, Cordlife Hong Kong had entered into a marketing collaboration agreement with China Cord Blood, a company listed on the New York Stock Exchange. Pursuant to the terms of this agreement, China Cord Blood agrees to utilise and authorise its sales resources and sales team to assist Cordlife Hong Kong in the promotion of Cordlife Hong Kong's cord blood banking services in the PRC and in particular, undertake marketing activities to promote the Cord Blood Banking Services offered by Cordlife Hong Kong to expectant mothers who intend to deliver in Hong Kong, in return for commission. This is pertinent as the Guangdong province is the area where PRC-expectant mothers who intend to deliver in Hong Kong typically move to, prior to, and in preparation for their delivery. Please refer to the section titled "Interested Person Transactions — On-going Transactions — Marketing Collaboration Agreement between Cordlife Hong Kong and China Cord Blood" of this Prospectus, for more details on the rate of commission payable to China Cord Blood.

PAYMENT STRUCTURE

Our customers contract with us for a period of 18 and 21 years in Hong Kong and Singapore respectively and may choose to make payment through either one of the following payment structures:

In Singapore,

(a) a one-time lump-sum payment made at the time of signing of the cord blood banking services agreement between us and the client (the "**Agreement**");

(b) a first payment made at the time of signing of the Agreement, followed by the payment of a fixed sum made at every anniversary of the baby's birth date, from the first to the 20th anniversary of the baby's birth date; or

(c) a first payment made at the time of signing of the Agreement, followed by the payment of a fixed sum made at every anniversary from the 11th to the 20th anniversary of the baby's birth date.

In Hong Kong,

(a) a one-time lump-sum payment made at the time of signing of the Agreement;

(b) a first payment made at the time of signing of the Agreement, followed by the payment of a fixed sum made at every anniversary of the baby's birth date, from the sixth to the 18th anniversary of the baby's birth date; or

(c) a first payment made at the time of signing of the Agreement, followed by the payment of a fixed sum made at every anniversary of the baby's birth date, from the 11th to the 18th anniversary of the baby's birth date.

INTERNATIONAL ACCREDITATION, AWARDS AND CERTIFICATES

Our Group has received the following accreditations, awards and certificates:

Date/Period	Recipient	Accreditation/Award/ Certificate	Awarding Organisation
1 October 2011 to 30 September 2013	Our Company	Certificate of accreditation for cell therapy activity: cord blood, processing/storage/distribution	AABB
1 October 2011 to 30 September 2013	Cordlife Hong Kong	Certificate of accreditation for cell therapy activity: cord blood, processing/storage/distribution	AABB
1 August 2010 to 31 July 2013	Cordlife Hong Kong	ISO 9001:2008 certification for the provision of cord blood bank laboratory service including processing, testing and storage of cord blood	SGS United Kingdom Ltd Systems & Services Certification
February 2011	Cordlife Hong Kong	Top Pregnant/Baby Products Award 2011	Pregnancy Magazine
January 2011	Cordlife Hong Kong	Outstanding Financial Strength Cord Blood Bank 2011	Quamnet Outstanding Enterprise Awards

Date/Period	Recipient	Accreditation/Award/ Certificate	Awarding Organisation
December 2010	Cordlife Hong Kong	Best Medical Service Award 2010	Capital CEO Supreme Brand Awards
November 2010	Cordlife Hong Kong	Most Popular Brand Award 2010 — The Most Popular Cord Blood Bank	TVB Weekly
July 2010	Cordlife Hong Kong	U-Choice Lifestyle Brand Award 2010	Metroinfo FM99.7
February 2010	Cordlife Hong Kong	Top 10 Pregnant/Baby Products Award 2010	Pregnancy Magazine
January 2010	Cordlife Hong Kong	Outstanding Financial Strength Cord Blood Bank 2010	Quamnet Outstanding Enterprise Awards

SALES AND MARKETING

Our sales and marketing activities in respect of our operations in Singapore and Hong Kong are handled at our Group's offices in Singapore and Hong Kong respectively by three separate teams, namely our sales team, our marketing team and our accounts management team. Our Singapore and Hong Kong sales and marketing teams are responsible for formulating and conceptualising our Group's overall sales and marketing strategies, communicating our comprehensive services to our potential customers and co-ordinating promotional events.

We believe in educating potential customers and other stakeholders on the benefits of cord blood banking so that they may make an informed decision when deciding whether to subscribe for our services. As such, our sales and marketing efforts primarily focus on promoting awareness of cord blood banking and its benefits amongst our potential customers. To this end, we conduct promotional events in Singapore, organise public forums and workshops in both Singapore and Hong Kong as well as participate in baby expositions so as to boost awareness and to provide existing and prospective customers with more information on cord blood banking.

Our sales and marketing efforts are generally conducted through various channels, including editorials in broadsheets, magazines and various on-line media. Our Directors are of the view that such efforts would seek to improve recognition and promote awareness of our services.

Other than the aforementioned sales and marketing activities which are targeted directly at potential customers, we also undertake sales and marketing activities targeted at hospital doctors who are responsible for delivering babies. Our accounts management teams in Singapore and Hong Kong make regular visits to such doctors from the various major hospitals to explain to them and in turn boost their awareness towards the benefits of cord blood banking. The doctors may in turn be able to educate expectant mothers who are their customers or pass such information on to such expectant mothers.

In addition, our subsidiary, Cordlife Hong Kong also entered into a marketing collaboration agreement with China Cord Blood. Pursuant to the terms of this agreement, China Cord Blood agrees to utilise and authorise its sales resources and sales team to assist Cordlife Hong Kong in the promotion of Cordlife Hong Kong's cord blood banking services in the PRC and in particular, to promote the Cord Blood Banking Services provided by Cordlife Hong Kong to expectant mothers who intend to deliver in Hong Kong. In return, China Cord Blood would be entitled to receive commission for every customer referred by them to Cordlife Hong Kong.

In January 2012, Cordlife Shanghai began the process of establishing a branch office in Shenzhen, Guangzhou, which will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong by educating expectant mothers in the Guangdong province who intend to deliver in Hong Kong about the benefits of cord blood banking, thus increasing their awareness towards such benefits. We believe that through the establishment of this branch office, coupled with the marketing collaboration agreement we have in place with China Cord Blood, we will be able to intensify our marketing efforts in the Guangdong province, which may in turn contribute to the expansion of our business operations in Hong Kong when these expectant mothers choose to store the cord blood units with us after delivery in Hong Kong.

QUALITY ASSURANCE

We consider quality assurance to be important to our business and have implemented a comprehensive quality assurance system based on the Standards for Cellular Therapy Product published by AABB to ensure that all aspects of our Cord Blood Banking Services meet the international best practice standards and the expectations of our customers. Our quality assurance system is audited internally and externally on a periodic basis to ensure that the respective standards are maintained.

AABB is an international association representing individuals and institutions involved in the field of transfusion medicine and cellular therapies, and is committed to improving health by developing and delivering standards, accreditation and educational programmes that focus on optimising patient and donor care and safety. In this regard, the accreditation programme by AABB establishes standards that seek to improve the quality and safety of collection, processing, testing and distributing and administering of blood and blood products. In issuing the AABB certification, the accreditation programme will assess the quality and operational systems in place within the relevant facility.

We have incorporated the following ten core elements of the AABB standards into our quality assurance system:

- Organisational policy, which requires that the appropriate management structure, personnel and quality systems are in place to deliver a quality cell therapy service;

- Resources policy, which ensures the adequacy of staffing, material, equipment and facility infrastructure including the engagement of laboratory supervisor and manager who are responsible for overseeing the medical and compliance functions of our Group's laboratories;

- Equipment policy, which requires us to maintain policies, processes and procedures to control, maintain and monitor equipment used in the delivery of our Cord Blood Banking Services;

- Policy for agreements, which entail processes and procedures for developing, approving and reviewing agreements used with contracting customers enrolling for our Cord Blood Banking Services and vendors who supply us equipment and materials used in the delivery of our services;

- Process control policies, which ensure that the processes which affect the quality of cord blood units that we store have been properly designed and validated to maintain the functionality of such cord blood units as well as prevent contamination and transmission of infectious diseases;

- Documents and records policy, which includes the implementation of procedures to ensure that all documents, records and electronic data that relate to our services are controlled and protected from accidental or unauthorised modification. Copies of records and back-up data are also stored within an off-site location;

- Deviation and non-conforming products and service policies, which include the implementation of processes to capture, investigate, assess and report events that deviate from accepted criteria;

- Internal and external assessments, which includes internal and external operational audits which are respectively conducted by our internal quality managers and external organisations such as the MOH, AABB and Royal College of Pathologists Australasia, as well as proficiency testing of our employees to ensure that our quality system complies with specified requirements;

- Process improvements, which includes taking a proactive approach in managing change and potential non-conformances through reviews, corrective and preventative action plans; and

- Safety and facilities control policies, which are designed to minimise the risks to the health and safety of employees, customers and any other stakeholders within the work environment.

These quality elements are further divided into subsections that describe the various processes to meet the intent of the element and provide a high level of assurance that quality is built into our operations instead of relying solely on end product testing.

HEALTH AND SAFETY ASSURANCE

We are subject to laws and regulations relating to health and safety primarily in the jurisdictions where our facilities are located. We consider safety a core value and actively take steps to create a safe working environment. To this end, we have formulated management policies and adopted rules in accordance with applicable laws and regulations for handling potentially hazardous and/or infectious materials and other dangerous substances.

Our safety policy is based on the "Occupational Safety and Health for Laboratories and Production Facilities in the Biomedical Sciences Industry" published by the MOH. In addition, we have also adopted the AABB standards with respect to "Safety and Facilities Control Policies" in relation to our operations in Singapore and Hong Kong. We also adopt a regime of self assessment, risk management and vigilance to minimise the hazards to staff working in the laboratory and our offices.

In addition, we have also complied with the safety regulations prescribed under the Workplace Safety and Health Act as required by the Ministry of Manpower.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

We believe in responsible corporate citizenship and the medical potential of cord blood. The Cordlife Cares Programme established in Singapore and Hong Kong in 2007 is targeted at less fortunate families with a family history of cord blood treatable diseases. This initiative will offer such families the option of private cord blood banking sponsored by our Company.

In addition, Cordlife Hong Kong has also previously participated in a charity sales event organised by a Hong Kong non-profit charity organisation in a bid to raise funds for the benefit of children with serious or life-threatening medical conditions in Hong Kong and Macau.

MAJOR CUSTOMERS

No single customer contributed more than 5.0% of our revenue in FY2009, FY2010, FY2011 and 1Q2012. Our customers are exclusively individuals. For details on revenue generated, please refer to the section titled "Management's Discussion and Analysis of Results of Operations and Financial Condition — Results of Operations" of this Prospectus.

MAJOR SUPPLIERS

The suppliers that accounted for 5.0% or more of our total cost of sales in FY2009, FY2010, FY2011 and 1Q2012 are set forth below:

Name of supplier	Products/Services supplied	As a percentage of total cost of sales (%)			
		FY2009	FY2010	FY2011	1Q2012
BIOSAFE Asia-Pacific Ltd	Sepax® device and consumables which are ancillary to the use of the Sepax® device	4.31	9.51(1)	11.98(1)	10.97
Niche Medicals Pte Ltd	Triple bag	5.99	2.66(2)	0.32(2)	0.15(2)
Pathlab Medical Laboratories Ltd	Blood testing	6.76	6.99	5.90	7.10
Quest Laboratories Pte Ltd	Blood testing	12.25	11.15	11.64	11.34

Notes:

(1) The increase in the percentage of our total cost of sales from BIOSAFE Asia-Pacific Ltd for FY2010 and FY2011 was due to the purchase of the Sepax® device and consumables which are ancillary to the use of the Sepax® device.

(2) The decrease in the percentage of our total cost of sales from Niche Medicals Pte Ltd for FY2010, FY2011 and 1Q2012 was due to an increase in the number of our customers who opted for the cord blood units to be processed automatically using the Sepax® device rather the manual processing method. The triple bag is not required for the processing of cord blood units using the Sepax® device.

As at the date of this Prospectus, none of our Directors or Substantial Shareholders or their Associates, has any interest, direct or indirect, in any of the above suppliers.

Save as disclosed above, none of our suppliers accounted for 5.0% or more of our total cost of sales in each of FY2009, FY2010, FY2011 and 1Q2012. In addition, our business or profitability is not materially dependent on any industrial, financial or commercial contract including a contract with a supplier.

As at the Latest Practicable Date, our business and profitability are not materially dependent on any one of our suppliers.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our relationships with our existing major suppliers.

CREDIT POLICY

Credit Policy to Our Customers

Our services are generally provided on credit terms. In general, we normally extend to our customers credit ranging from 30 to 60 days.

We bill our customers when payment falls due in accordance to the terms of the cord blood banking contract. Receivable balances are monitored on a regular basis with the result that our Group's exposure to bad debt to date has not been significant. The nature of the cord blood banking business whereby the child's stem cells contained in the cord blood are stored with our Group reduces the likelihood of default in payment.

Our average trade receivables turnover days for the Periods Under Review were as follows:

	FY2009	FY2010	FY2011	1Q2012
Average trade receivables turnover (days)(1)	80	78	66	78

Note:

(1) Average trade receivables turnover days = (simple average of the opening and closing trade receivables balance/total billings) x 365.

The ageing analysis of current trade receivables as at 30 September 2011 is as follows:

(S$'000)	Total(1)	0-30 days	31-60 days	61-90 days	>90 days CI(2)	>90 days PDNI(2)
As at 30 September 2011	6,490	5,338	314	108	374	356

Notes:

(1) This includes receivables amounting to approximately S$1.9 million which were due as at 30 September 2011 and receivables amounting to approximately S$4.6 million which were not due as at 30 September 2011. Receivables of approximately S$4.6 million were not due as customers have opted for the CDA Payment Mode (as defined below) and receivables would only be due 60 days after the birth of the baby but were nonetheless included in the "0-30 days" category as we invoice our customers upon the signing of the cord blood and umbilical cord tissue banking contract. Please refer to the paragraph below for further details.

(2) "CI" means considered impaired.

"PDNI" means past due not impaired.

Our Company considers accounts receivables to be impaired when there is objective evidence that the customers are unable to make payment (such as parents encountering financial difficulties and not being able to meet their annual payments).

Our trade receivables turnover days is significantly higher than our credit terms as most of our customers who are Singaporeans make use of the Child Development Account to pay for our services ("**CDA Payment Mode**"). We invoice our customers upon the signing of the cord blood banking contract which may occur several months prior to delivery of the child, however, where our customers opt for the CDA Payment Mode, due to administrative procedures and the time taken for the approval of disbursements from the Child Development Account to our Company, we usually receive payment only after the 60-day credit term as the Child Development Account can only be opened after delivery of the child and upon obtaining the birth certificate. Customers who opt for the CDA Payment Mode account for more than half of our customers in Singapore. This is opposed to the non-CDA Payment Mode, whereby customers would have to pay within the credit term, upon the signing of the cord blood banking contracts. Our Company does not believe this will have any material implication on cash flows and that the risk that payment would not be received from the Child Development Account is low.

At present, we do not have any policy of making general provisions for doubtful debts. An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired. We perform ongoing credit evaluation of our debtors' financial condition and make specific allowances for impairment of trade receivables based on the expected collectability of our receivables and when the ability to collect an outstanding debt is in doubt. Accordingly, we may also write off an outstanding debt when we are certain that the customer is not able to meet its financial obligations to us.

Current trade receivables

Our allowance for impairment of current trade receivables as well as bad debts written off for the Periods Under Review were as follows:

	FY2009	FY2010	FY2011	1Q2012
Allowance for impairment of current trade receivables as a percentage of our Group's revenue (%)	0.7	—	0.7	—
Bad debts written off as a percentage of our Group's revenue (%)	—	0.4	0.4	0.3

Non-current trade receivables

Non-current trade receivables represents Cord Blood Banking Services revenues receivable under our annual, five-year and ten-year plans that have yet to be billed to the customer. Upon billing, the amount will be receivable under the same terms as current trade receivables.

Our allowance for impairment of non-current trade receivables as well as bad debts written off for the Periods Under Review were as follows:

	FY2009	FY2010	FY2011	1Q2012
Allowance for impairment of non-current trade receivables as a percentage of our Group's revenue (%)	0.7	—	—	—
Bad debts written off as a percentage of our Group's revenue (%)	—	0.1	0.5	0.2

Our Directors are of the view that our allowance for impairment of trade receivables and bad debts written off is adequate. To the best of their knowledge, our Directors are not aware of any information or development, which may require us to make additional allowance for impairment of trade receivables.

Credit Policy from Our Suppliers

Payment terms granted by our suppliers vary depending on, *inter alia*, our relationship with the suppliers as well as the size of our purchases. The credit terms granted by our suppliers are generally stipulated to be 30 days.

Our average trade payables turnover days for the Periods Under Review are as follows:

	FY2009	FY2010	FY2011	1Q2012
Average trade payables turnover (days)[1]	35	30	30	29

Note:

(1) Average trade payables turnover days = (simple average of the opening and closing trade payables balance/Direct cost of sales) x 365.

INVENTORY MANAGEMENT

Due to the nature of our business, we have minimal levels of inventories.

EMPLOYEES

The following table provides an overview of the number and various functions of the employees of our Group as at 30 June 2009, 2010 and 2011.

Department	As at 30 June 2009	As at 30 June 2010	As at 30 June 2011
Management	3	3	3
Sales and Marketing	34	39	45
Facility Operations	21	22	24
Administration and Finance	22	37	39
Total	**80**	**101**[1]	**111**

The following table provides an overview of the number of employees of our Group by geographical locations as at 30 June 2009, 2010 and 2011.

Location	As at 30 June 2009	As at 30 June 2010	As at 30 June 2011
Singapore	53	64	66
Hong Kong	27	37	45
Total	**80**	**101**	**111**

Note:

(1) The increase in the number of employees to 101 for FY2010 was due to the increase in volume of our operations as well as the establishment of the credit control departments in Singapore and Hong Kong in the beginning of FY2010.

We have not entered into any collective bargaining agreement with any of our employees. We have not experienced any strikes or disruptions caused by labour disputes in the last three years and we consider our relationship with our employees to be good.

MEDICAL DIRECTORS

Dr Chiew Yoke Fong and Dr Teo Gek Choo Jennifer were appointed as our medical directors and are responsible for overseeing the medical and compliance functions of our Group's laboratories primarily in Singapore and Hong Kong respectively. In particular, their scope of work includes attending to queries from the relevant regulatory authorities in relation to the operations of our laboratories.

To minimise and prevent any potential disruptions that may occur in the course of our daily operations, both Dr Chiew Yoke Fong and Dr Teo Gek Choo Jennifer also act as back-up for one another. For instance, Dr Chiew Yoke Fong would assist to oversee our Group's laboratories in Hong Kong in the absence of Dr Teo Gek Choo Jennifer and *vice versa*.

Other responsibilities of our medical directors include, *inter alia*:

(a) reviewing and approving client records as being eligible to undergo the cord blood collection procedure during delivery;

(b) reviewing and approving the processed cord blood units to be eligible for storage after testing;

(c) approving changes to internal policies relating to certain procedures adopted by our Group;

(d) liaising with transplant physicians;

(e) representing our Group at public events; and

(f) representing our Group as a speaker at medical conferences or public events in the regions where we operate.

STAFF TRAINING AND DEVELOPMENT

We believe that our employees are important assets to our Group and we have adopted several training and development policies to invest in and improve the people skills and knowledge of our employees. This is conducted through a systematic training and development approach which seeks to establish a highly-skilled human resource base, and stimulate a culture of productivity, efficiency, effectiveness, professionalism and accountability, with respect to the delivery of our services to the public as well as help our Company achieve its corporate objective.

Our training and development policies seek to:

- confirm our Company's commitment to training and development;

- ensure that our training resources are used to their full capacity by establishing a clear process for identifying, prioritising, planning and monitoring training and development needs, actions and resources;

- ensure that the financial resources identified for training and development are utilised effectively and equitably;

- ensure that all our employees have equality of access to training and development; and

- establish clear guidance to all our employees with respect to their entitlements and responsibilities whilst undergoing training.

We conduct induction programmes for all new employees and a series of on-the-job-training courses to ensure that all new employees are provided with the necessary information with respect to our Company's internal and external policies and are aware of our Company's health and safety policies.

We have processes in place for identifying training and professional development needs and have also integrated this as part of our performance management procedure for all our employees and their supervisors. We also emphasise on post-training evaluation as we believe this to be an integral part of the learning process for our employees. We believe that such evaluations seek to ensure that training objectives have been met and this in turn supports the sustainability of our corporate objectives.

Our human resources department actively assists our various heads of departments in formulating, implementing and evaluating the relevant in-house and external training and development activities. In addition, they are tasked with the preparation and implementation of a training plan which seeks to align the various objectives associated with the training and development needs of our staff with our Company's operational plans and budgets.

In addition, as a proportion of our customers may still choose to have the cord blood units processed manually, our laboratory technicians are also required to undergo periodic proficiency tests organised by the Royal College of Pathologists Australasia. Such regular proficiency testing seeks to ensure the maintenance of the skills sets held by our laboratory technicians.

Our Group invested approximately S$50,000, S$57,000, S$147,000 and S$46,000 towards the training of our employees for FY2009, FY2010, FY2011 and 1Q2012 respectively.

LICENCES

During the course of operations, both Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya) and our Company are required to comply with local regulatory and governmental licensing requirements. As at the Latest Practicable Date, Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya) and our Company have obtained the following material licences from the relevant government authorities:

Licence	Licensing body	Term of validity	Recipient
Licence to operate clinical laboratory at 61 Science Park Road #05-16/17/18, The Galen, Singapore Science Park II, Singapore 117525	Director of Medical Services, MOH	7 July 2011 to 6 July 2013	Company
Form A Poisons Licence to store poisons (as define under the Poisons Act) at 61 Science Park Road, #05-16, The Galen, Singapore Science Park II, Singapore 117525	Health Sciences Authority	22 February 2012 to 15 March 2013	Company
Dealer's Licence for the import of Sepax® kits	Health Sciences Authority	25 July 2011 to 10 August 2013	Company
Blood Station Licence of Guangdong Province	Guangdong Health Department	14 May 2009 to 13 May 2012	Guangzhou Tianhe Nuoya

Save as disclosed above, our business or profitability is not materially dependent on any licence. We are not required to hold any licence in respect of the operations of Cordlife Hong Kong. However, the laboratory supervisor and manager of Cordlife Hong Kong are required to be registered with the Register of Medical Laboratory Technologists Board and obtain a practicing certificate in order to practice as a medical laboratory technologist in Hong Kong.

The licences for the operations of our Company are generally renewed every two years and the licence for the operations of Guangzhou Tianhe Nuoya is generally renewed every three years. As at the Latest Practicable Date, we have not been unable to renew our licences and as such, we currently do not foresee any difficulties in the renewal of our licences. Save as disclosed above and under the section titled “Risk Factors” of this Prospectus, to the best of our Directors’ knowledge, we have obtained all requisite approvals and licences and complied with all relevant laws and regulations that would materially affect our current business operations.

GOVERNMENT REGULATIONS

Save as disclosed below, our business operations are not subject to any special legislation or regulatory controls other than those generally applicable to companies and businesses operating in those jurisdictions. To the best knowledge of our Directors, we have obtained all the necessary licences and permits for our business operations in the jurisdictions in which we operate and have complied with all relevant laws and regulations.

Singapore

Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore

The Private Hospitals and Medical Clinics Act requires that a licence issued by the Director of Medical Services be obtained before any premises or conveyance is used as a private hospital, medical clinic, clinical laboratory or healthcare establishment.

In determining whether to issue or refuse to issue a licence, the Director of Medical Services shall have regard to the following:

(a) the character and fitness of the applicant to be issued with a licence or, where the applicant is a body corporate, the character and fitness of the members of the board of directors or committee or board of trustees or other governing body of the body corporate;

(b) the ability of the applicant to operate and maintain a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be, in accordance with the prescribed standards;

(c) the suitability of the premises or conveyance (including the facilities and equipment therein) to be licensed for use as a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be; and

(d) the adequacy of the nursing and other staff that is to be employed at the premises or conveyance to be licensed.

If a private hospital, medical clinic, clinical laboratory or healthcare establishment is not licensed or is used otherwise than in accordance with the terms and conditions of its licence, every person having the management or control thereof shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$20,000 or to imprisonment for a term not exceeding two years or to both.

Private Hospitals and Medical Clinics Regulations

Every licensee of a private hospital, medical clinic, clinical laboratory or healthcare establishment shall comply with such directions or guidelines as may be given or issued by the Director of Medical Services from time to time in respect of any matter relating to the management, operation, maintenance or use of any private hospital, medical clinic, clinical laboratory or healthcare establishment. In addition, every licensee of a clinical laboratory shall comply with any directions as the Director of Medical Services may give with regard to the completion of testing of specimens already received, acceptance of new specimens and other ancillary matters before the cessation of operation, letting, sale or disposal of the clinical laboratory.

Every licensee of a clinical laboratory shall be responsible for (a) the proper administration of the laboratory and the compliance with any written law; (b) the close supervision over technical staff in their performance of examinations; and (c) notifying the Director of Medical Services immediately of staff changes or any other change that may affect the conditions governing the issue of the licence. The licensee of a clinical laboratory shall ensure that there is an effective and documented quality control programme for the clinical laboratory.

All advertisements of the services of every private hospital, medical clinic or clinical laboratory shall be in accordance with the guidelines issued by the Director of Medical Services.

Private Hospitals and Medical Clinics (Publicity) Regulations

The Private Hospitals and Medical Clinics (Publicity) Regulations provide that a licensee of a healthcare institution may publicise or cause to be publicised the services of the healthcare institution subject to certain restrictions and any other written law.

The licensee of a healthcare institution shall ensure that any publicity of the services of the healthcare institution conducted by him or any other person on his behalf in Singapore complies with the following requirements:

(a) the information contained in the publicity must be factually accurate and capable of being substantiated, and must not be exaggerated, false, misleading deceptive;

(b) the publicity must not be offensive, ostentatious or in bad taste such as to undermine the honour and dignity of the medical, dental or nursing profession;

(c) the publicity must not contain any information that:

    (i) implies that the healthcare institution can obtain results from treatment not achievable by other healthcare institutions or create an unjustified expectation from the treatment provided; or

    (ii) compares and contrasts the quality of the services of the healthcare institution with those provided by other healthcare institutions or deprecate the services of other healthcare institutions;

(d) the publicity must not contain any laudatory statements (including statements of prominence or uniqueness) or superlatives to describe the services of the healthcare institution;

(e) the information contained in the publicity must not contain any testimonial or endorsement of the services, including the services of any employee of the healthcare institution; and

(f) the publicity must not provide information to the public in such a manner as to amount to soliciting or encouraging the use of the services provided by or at any healthcare institution.

The licensee of a healthcare institution shall also ensure that any publicity of the services of the healthcare institution appears only in newspapers, directories, medical journals magazines, brochures, leaflets, pamphlets and the internet. Where the publicity of the services of a healthcare institution appears in the Internet, the licensee of the healthcare institution shall ensure that the Internet is not used for patient consultation with any employee of the healthcare institution if the patient is not an existing patient of the healthcare institution. Where the publicity of the services of a healthcare institution appears in brochures, leaflets or pamphlets, the licensee of the healthcare institution shall ensure that the brochures, leaflets or pamphlets contain the date of publication.

On 24 March 2010, we were fined S$8,000 by the MOH for breach of Section 4(1)(f) of the Publicity Regulations, which stipulates that "the publicity must not provide information to the public in such manner as to amount to soliciting or encouraging the use of the services provided by or at any healthcare institution". The breach arose as our Company had made mention of discounts or validity periods in certain of our advertisements which was deemed to be soliciting or encouraging the use of our services by the MOH. Although certain of such advertisements had in effect been published by our business partners, our Company was nonetheless implicated as the advertisements pertained to the services offered by our Company.

On 15 December 2010, we were fined S$4,000 by the MOH for breach of Section 4(1)(e) of the Publicity Regulations, which stipulates that "information contained in the publicity must not contain any testimonial or endorsement of the services, including the services of any employee of the healthcare institution". The breach arose due to our publication on our corporate website, of a testimonial given by one of our customers which we had reproduced in an extracted format, after sourcing from The Straits Times. As customer testimonials are required to be reproduced in full format instead of an extracted format, we are found to be in breach of the relevant section. We have since rectified the breach by publishing the full format of the testimonial on our corporate website.

Subsequent to the aforementioned instances, our Company currently sends all marketing and advertising materials to a solicitor specialising in medical malpractice for vetting, prior to publication. In addition, we have also reminded our business partners of our obligation to comply with the requirements of the Publicity Regulations.

Medical Registration Act, Chapter 174 of Singapore

The Medical Registration Act provides for, *inter alia*, the establishment of the Singapore Medical Council and the registration of medical practitioners in Singapore.

Some of the important functions of the Singapore Medical Council are:

(a) to keep and maintain registers of registered medical practitioners;

(b) to approve or reject applications for registration under the Medical Registration Act or to approve any such application subject to such restrictions as it may think fit;

(c) to issue practising certificates to registered medical practitioners;

(d) to make recommendations to the appropriate authorities for the training and education of registered medical practitioners; and

(e) to determine and regulate the conduct and ethics of registered medical practitioners.

Health Products Act, Chapter 122D of Singapore

The Health Products Act provides that no person shall import any health product (including medical devices) unless a valid importer's licence is held and the import of the relevant health product is carried in accordance with the licence issued in respect of it. In determining whether to issue to the importer's licence, the Health Sciences Authority must be satisfied that the applicant is a fit and proper person to be issued with an importer's licence or otherwise satisfies such requirements as may be prescribed or the issue of the importer's licence; and the issue of the importer's licence to the applicant will not be contrary to public interest. Should the importer subsequent to the issuance of the importer's licence become aware of any defect in the health product or any adverse effect that has arisen or can arise from the use of the health product the importer shall be obliged to inform the Health Sciences Authority within the prescribed time of the defect or adverse effect. The applicant shall also apply for the registration of the health product to be registered in accordance with the provisions of the Health Products Act.

Child Development Co-Savings Act, Chapter 38A of Singapore — Child Development Co-Savings Regulations

We are an approved institution under the Child Development Co-Savings Act, Chapter 38A of Singapore — Child Development Co-Savings Regulations (the "CDA Regulations"). Under the CDA Regulations, we have to display the certificate of approval from the relevant authority in a conspicuous place where it can be readily seen by all persons having access to our Company. We are also required to maintain written records of the following information: (a) account number of the Child Development Account ("CDA") out of which payment for the medical expenses provided by us to the member or his sibling is made; (b) the member or the sibling of the member in respect of whom payment is made; (c) the amount paid out of the CDA; (d) the purpose of the payment; and (e) the date of the payment. Such records are to be kept for a period of three years and shall be kept confidential and not be inspected by any person other than a person authorised by the director of family services, our employee who has been authorised in writing by our Company to inspect such records, the trustee or where the parents of the member is not the trustee, the parents or any other person empowered or authorised to inspect such records under any written law for the time being in force.

Workplace Safety and Health Act 2006, Chapter 354A of Singapore

The Workplace Safety and Health Act provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work. More specific duties imposed by the Ministry of Manpower on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations 2006. Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any biohazardous material which may constitute a risk to their health.

Hong Kong

Supplementary Medical Professions Ordinance

The Supplementary Medical Professions Ordinance, Chapter 359 of the Laws of Hong Kong (the "**SMP Ordinance**") provides for, amongst other matters:

(a) the registration, discipline and management of persons engaged in occupations and professions supplementary to medicine;

(b) the establishment of the Supplementary Medical Professions Council (the "**SMP Council**") whose functions include the following:

  (i) promoting adequate standards of professional practice and of professional conduct within the profession;

  (ii) co-ordinating and supervising the activities of the boards which have been established for each profession under the SMP Ordinance; and

  (iii) carrying out any additional functions assigned to it by the SMP Ordinance; and

(c) the establishment of the Medical Laboratory Technologists Board (the "**MLT Board**"), the body which regulates the medical laboratory technologist ("**MLT**") profession.

Under the SMP Ordinance, a person must register with the MLT Board and obtain a practicing certificate issued by the MLT Board before they can practice as a MLT.

Accordingly, a person commits an offence under the SMP Ordinance if they:

(a) practice as a MLT without registering as a MLT; or

(b) employ any other person as a MLT who is not registered as a MLT.

A person who commits the above offence is liable on conviction to a fine of HK$5,000 and imprisonment for six months. Where a person has been convicted of this offence, a magistrate may, on application made on behalf of the Government of the Hong Kong Special Administrative Region, order that all materials and equipment in the possession or under the control of that person and used in the practice of the MLT profession be forfeited.

A company may carry on the business of practicing the MLT profession if:

(a) at least one director of that company (the "**professionally qualified director**") is a person who:

  (i) is registered in respect of that profession; and

  (ii) satisfies any requirements imposed by any regulations made under the SMP Ordinance as to qualifications, experience or training necessary for a person registered in respect of that profession to practice without supervision; and

(b) all persons practicing the profession who are employed by the company are registered in respect of that profession.

If a company carries on business as MLT other than in compliance with these requirements, the following persons will be liable for the offence:

(a) the company;

(b) the professionally qualified director; and

(c) every director (other than a professionally qualified director) and manager, unless they can prove that the offence was committed without their knowledge.

A person or company, as relevant, who commits the above offence will be liable on conviction to a fine of HK$5,000 and imprisonment for six months.

The SMP Ordinance further provides that no registered person shall practise as a MLT in premises which are considered by the MLT Board to be unsuitable for such practice. Therefore, a company may be ordered to cease its business by the MLT Board if it is of the view that the premises are not suitable for practice.

Waste Disposal Ordinance

The Waste Disposal Ordinance, Chapter 354 of the Laws of Hong Kong (the "**WD Ordinance**") provides for:

(a) the control and regulation of the production, storage, collection and disposal, including the treatment, reprocessing and recycling of waste of any class or description;

(b) the licensing and registration of places and persons connected with such activity;

(c) the protection and safety of the public in relation to any such activity; and

(d) any matters incidental to the above.

There is a general prohibition under the WD Ordinance which provides that a person commits an offence if he deposits, or causes or permits to be deposited, waste (including clinical waste) in any place except with lawful authority or excuse, or with the permission of any owner or lawful occupier of the place ("**General Prohibition**").

Under the WD Ordinance, clinical waste includes:

(a) unsterilised laboratory stock cultures or cultures, of infectious agents and potentially infectious waste with significant health risk from dental, medical, veterinary or pathological laboratories; and

(b) all human and animal tissues, organs and body parts as well as dead animals,

which are generated in connection with a laboratory practice.

A person who commits the General Prohibition is liable to a fine of HK$200,000 and imprisonment for six months for a first offence and a fine of HK$500,000 and imprisonment for six months for a second or subsequent offence. If the offence is a continuing offence, the person is liable to a fine of HK$10,000 for each day during which it is proved to the satisfaction of the court that the offence has continued.

Waste Disposal (Clinical Waste) (General) Regulation

The Waste Disposal (Clinical Waste) (General) Regulation, Chapter 354O of the Laws of Hong Kong (the "**WD Regulation**") regulates the disposal of clinical waste.

Under the WD Regulation, a person who produces, or causes to be produced, or has possession or custody of any clinical waste must dispose of it, or cause or arrange for it, to be disposed of in a proper manner. A person who is in contravention of this commits an offence and is liable on conviction to a fine of HK$200,000.

The WD Regulation further provides that a person who stores, collects, removes, delivers, transports, receives, transfers, disposes of, imports, exports or otherwise handles clinical waste must take all such precautions as are necessary to prevent danger to public health or safety, pollution to the environment and nuisance to the neighbouring area. A person who contravenes this commits an offence and is liable on conviction to a fine of HK$200,000 and imprisonment for six months.

The Director of Environmental Protection ("**DEP**") may also require the removal of clinical waste if he is of the opinion that any clinical waste located on or in any land or premises is, or is likely to be, a danger to public health and safety, a source of pollution to the environment or a source of nuisance to the neighboring area. A person who fails to comply with a written notice issued by the DEP commits an offence and is liable on conviction to a fine of HK$200,000 and imprisonment for six months.

A person must keep records in respect of clinical waste produced or caused to be produced by the person, or in the person's possession or custody, and must produce records to the DEP when so required. A person who contravenes these requirements commits an offence and is liable on conviction to a level 6 fine (this is currently set at HK$100,000). Our Company has confirmed that it keeps trip tickets/consignment notes for this purpose.

Water Pollution Control Ordinance

The Water Pollution Control Ordinance, Chapter 358 of the Laws of Hong Kong (the "**WPC Ordinance**") provides for the control of the pollution of the waters of Hong Kong.

Under the WPC Ordinance, a person commits an offence if that person discharges any matter (other than domestic sewage and unpolluted sewage) into a communal sewer or communal drain in a water control zone. This would be likely to extend to any laboratory waste produced.

A person that discharges any waste or polluting matters into the waters of Hong Kong or inland waters, without first obtaining the appropriate licence, commits an offence under the WPC Ordinance.

A person who commits the above offences is liable to imprisonment for six months and a fine of HK$200,000 (for a first offence) and a fine of HK$400,000 (for a second or subsequent offence). If the offence is a continuing offence, the person is liable to a fine of HK$10,000 for each day during which it is proved to the satisfaction of the court that the offence has continued.

Occupational Safety and Health Ordinance

Pursuant to the Occupational Safety and Health Ordinance, Chapter 509 of the Laws of Hong Kong (the "**OSH Ordinance**") an employer must ensure, as far as practicable, the safety and health of all employees in the workplace. This includes, but is not limited to, the following:

(a) providing and maintaining plant and work systems that do not endanger safety or health;

(b) making arrangement for ensuring safety and health in connection with the use, handling, storage or transport of plant or substances;

(c) providing all necessary information, instruction, training, and supervision for ensuring safety and health;

(d) providing and maintaining safe access to and egress from the workplaces; and

(e) providing and maintaining a safe and healthy working environment.

An employer who fails to ensure the safety and health at work of its employees, as far as is reasonably practicable, commits an offence and is liable on conviction to a fine of HK$200,000. If the employer intentionally, knowingly or recklessly fails to comply with this requirement, the employer commits an offence and is liable on conviction to a fine of HK$200,000 and imprisonment for six months.

The Commissioner for Labour may issue an improvement notice against the employer if he is of the opinion that the employer:

(a) is contravening the OSH Ordinance; or

(b) has contravened the OSH Ordinance in circumstances that make it likely that the contravention will be continued or repeated.

An employer commits an offence if he, without reasonable excuse, fails to comply with a requirement of an improvement notice. The employer will be liable on conviction to a fine of HK$200,000 and imprisonment for 12 months. An employer has a reasonable excuse for not complying with the requirement of an improvement notice if he establishes that it was not reasonably practicable to comply with the requirement.

Further, the Commissioner for Labour may also issue a suspension notice on an employer if he is of the opinion that because of:

(a) an activity undertaken on the premises; or

(b) the condition or use of the premises or any plant or substance located on the premises,

there is an imminent risk of death or serious bodily injury.

An employer commits an offence if he, without reasonable excuse, fails to comply with a requirement of a suspension notice. The employer will be liable on conviction to a:

(a) fine of HK$500,000 and imprisonment for 12 months; and

(b) further fine of HK$50,000 for each day or part of a day during which the employer knowingly and intentionally continues the contravention.

If the person convicted of an offence under the OHS Ordinance is a company and it is proved that the offence was committed with the consent or connivance of, or was attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the employer, each of them will also be guilty of the offence.

Occupational Safety and Health Regulation

The Occupational Safety and Health Regulation, Chapter 509A of the Laws of Hong Kong outlines some of the basic requirements for accident prevention, fire precaution, workplace environment control, hygiene and first aid at the workplace and manual operations.

A person responsible for a workplace found guilty of having committed an offence will be liable for a fine. The amount of the fine will vary depending on type of offence, most common being either level 5 fine (currently set at HK$50,000) or HK$200,000. For some offences, if it is proved that the responsible person committed the offence internationally, knowingly or recklessly, the court can, on top of the fine, sentence a person to imprisonment for a term not exceeding six months.

Exchange Controls

In line with Hong Kong's free market policies, there are no exchange controls and no barriers of access to the market by foreign businesses. There are no restrictions on capital flows into and out of Hong Kong and no restrictions on the conversion or remittance of profits and dividends derived from direct investments.

It is noteworthy that dividends of a Hong Kong company can only be distributed out of its distributable profits. This is in line with the doctrine of maintenance of capital applicable in most common law jurisdictions. Where a Hong Kong company wishes to return paid up capital to its shareholders this is commonly achieved by way of capital reduction or share buyback.

The distribution of distributable profits and return of capital of a Hong Kong company are governed by the Companies Ordinance, Chapter 32 of the Laws of Hong Kong.

PRC

Guangzhou Tianhe Nuoya (which we hold an indirect 10.0% shareholding in) operates business in China under a legal regime consisting of the State Council, which is the highest authority of the executive branch of the PRC central government, and several ministries and agencies under its authority including:

- the Ministry of Health of the People's Republic of China (the "**PRCMOH**");
- the State Food and Drug Administration of the People's Republic of China (the "**SFDA**");
- the State Administration of Foreign Exchange (the "**SAFE**");
- the Ministry of Commerce of the People's Republic of China (the "**MOFCOM**"); and
- the National Development and Reform Commission (the "**NDRC**").

The State Council and these ministries and agencies have issued a series of rules that regulate a number of different substantive areas of the Guangzhou Tianhe Nuoya's business, which are discussed below.

PRC Regulation on the Cord Blood Banking Industry

The PRCMOH is responsible for the regulation and supervision of cord blood banks in China, including promulgation of rules and regulations in response to the developments in the cord blood banking industry. Cord blood banking is an emerging industry in China. Therefore, the regulatory framework of the cord blood banking industry in China is under development and may not be as fully developed as that in other countries.

China adopted the Blood Donation Law in 1997 to prohibit the buying and selling of blood and to establish principles and regulations for the safe handling of blood supplies. In 1999, China adopted the Trial Measures for the Administration of Cord Blood Bank to regulate the establishment and operation of the cord blood banks. In 2001, China adopted the Trial Cord Blood Bank Establishment Guidelines to implement Trial Measures for the Administration of Cord Blood Bank. In 2002, China adopted the Provisional Cord Blood Bank Technical Guidelines, which regulate the way and activities that our Company handles the cord blood for processing and store. In 2005, the PRCMOH further adopted the Measures for Administration of Blood Stations, or the Measures, to regulate the operation of blood stations in general. The Measures specify that cord blood banks are special blood stations that are subject to regulation under the Measures.

The Measures emphasise the regulation of cord blood bank's non-profit activities of collecting and storing cord blood from donors as well as supplying cord blood for clinical use, but they fail to provide clear stipulations regarding certain other activities that are frequently carried out in connection with cord blood banking, including cord blood banks' offering fee-based commercial services of storing cord blood entrusted to them by customers for the benefit of those customers and not of the general public.

According to answers by the spokesman of the PRCMOH to questions from reporters on February 18, 2008, it appears that the PRCMOH is of the position that operators of licensed cord blood banks are permitted to provide cord blood banking services for a fee. However, to date, neither the PRCMOH nor any department of health has made any formal clarification on how they interpret, administer or enforce current laws and regulations applicable to the cord blood banking industry in China.

According to a circular issued by the PRCMOH on December 16, 2005, and also an extension notice published in February 2011, additional cord blood banking licences will be granted in up to three other regions by 2015. Only one licence shall be issued in any given region, and the licensed cord blood bank is not permitted to set up branches or blood stations outside the designated region in which it is licensed. Upon satisfaction of a series of complex and stringent requirements, the applicant may submit its formal application for a licence. The facilities of the applicant will be inspected by the department of health.

Currently, there are no price controls on the cord blood banking industry in China. Therefore, cord blood bank operators have the flexibility to set their prices for the cord blood banking services they provide. However, such price-setting flexibility will be reduced, if, as part of the implementation of medical and healthcare reforms in China, the PRC government decides to introduce price controls into the cord blood banking industry.

PRC Regulation on Foreign Investment in the Cord Blood Banking Industry

Foreign investment in China was previously subject to regulation by the Catalogue for the Guidance of Foreign Investment Industries, or the Catalogue, promulgated by NDRC and MOFCOM on 4 April 2004, as amended on 1 December 2007 and further amended on 31 November 2011. Under the Catalogue promulgated in 2004, there were no prohibitions against investment by foreign enterprises in the cord blood banking industry in China. Under the Catalogue revised in 2007, however, foreign enterprises are prohibited from engaging in stem cell and gene diagnosis and treatment technology development and application. Based on the opinion of JunZeJun Law Offices, our legal advisers on PRC law and in respect of Guangzhou Tianhe Nuoya, since the revised Catalogue does not clearly define the scope of such prohibited business, it is uncertain whether cord blood banking services may be construed as a prohibited industry and is therefore prohibited. Moreover, based on the opinion of JunZeJun Law Offices, our legal advisers on PRC law and in respect of Guangzhou Tianhe Nuoya, the Catalogue revised in 2007 and 2011 has no retroactive force and foreign enterprises approved to operate in China before their business becomes prohibited under the Catalogue revised in 2007 and 2011 should be able to continue with their current business in accordance with their existing approvals.

On 27 October 2005, the Standing Committee of the National People's Congress adopted amendments to the Company Law of People's Republic of China, or the PRC Company Law, which substantially overhauled the PRC company law system and removed a number of legal restrictions and hurdles on the management and operations of limited liabilities companies and companies limited by shares. It is expected that the Law of Wholly Foreign Owned Enterprises of People's Republic of China (the "**PRC WFOE Law**"), and its implementing regulations will be amended accordingly in order to align the PRC WFOE Law with the amendments to the PRC Company Law.

PRC Regulation on Dividend Distributions

Pursuant to the Foreign Currency Administration Rules promulgated in 1996 and amended in 1997 and 2008, respectively, and various regulations issued by SAFE, and other relevant PRC government authorities, the PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China.

Guangzhou Tianhe Nuoya is regulated by the laws governing foreign-invested enterprises in the PRC. Accordingly, it is required to allocate 10% of their after-tax profits based on PRC accounting standards each year to their general reserves until the accumulated amount of such reserves has exceeded 50% of their registered capital, after which no further allocation is required to be made. These reserve funds, however, may not be distributed to equity owners except in accordance with PRC laws and regulations. Such PRC laws and regulations refer to the PRC Company Law governing liquidation. In addition, due to the failure of the Measures to define or interpret the terms "non-profit," "for-profit" or "for the purpose of making a profit" as they relate to the Guangzhou Tianhe Nuoya's business, it cannot be assured that the PRC government authorities will not request Guangzhou Tianhe Nuoya to use its after-tax profits for their own development and restrict the Guangzhou Tianhe Nuoya's ability to distribute their after-tax profits to us as dividends.

Exchange Controls

Foreign exchange in the PRC is primarily regulated and controlled by:

- The Regulation on Foreign Exchange Administration of People's Republic of China (中华人民共和国外汇管理条例, the "**Foreign Exchange Regulation**");

- The Administration Rules of the Settlement, Sale and Payment of Foreign Exchange (结汇、售汇及付汇管理规定, the "**Administration Rules**");

- Circular of the State Administration of Foreign Exchange on Relevant Business Operations Issues Concerning Improving the Administration of Payment and Settlement of Foreign Exchange Capital of Foreign Investment Enterprises (国家外汇管理局综合司关于完善外商投资企业外汇资本金支付结汇管理有关业务操作问题的通知, the "**Circular 142**");

- Notice of the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening the Management of Foreign Currency Services (国家外汇管理局关于加强外汇业务管理有关问题的通知, the "**Notice 59**"); and

- Supplemental Circular of State Administration of Foreign Exchange on Relevant Business Operational Issues Concerning Improving the Administration of Payment and Settlement of Foreign Exchange Capital of Foreign Investment Enterprises (国家外汇管理局综合司关于完善外商投资企业外汇资本金支付结汇管理有关业务操作问题的补充通知, the "**Circular 88**").

The Foreign Exchange Regulation was promulgated by State Council on 29 January 1996, as amended on 14 January 1997 and on 1 August 2008. Under the Foreign Exchange Regulation, the RMB is convertible for current account items, including the distribution of dividends, interest payments, and trade and service-related foreign exchange transactions. Conversion of RMB into foreign currency for capital account items, such as direct investment, loans, investment in securities and repatriation of funds, however, is subject to the approval of the State Administration of Foreign Exchange ("**SAFE**"). Foreign invested enterprises ("**FIEs**"), are required to complete the foreign exchange registration and obtain the registration certificate.

The Administration Rules was promulgated by The People's Bank of China on 20 June 1996 and effective from 1 July 1996. Under the Administration Rules, FIEs may only buy, sell and remit foreign currencies at banks authorized to conduct foreign exchange transactions after providing valid commercial documents and, in the case of capital account item transactions, only after obtaining approval from SAFE.

The Circular 142 was promulgated by SAFE, on 20 August 2008 to regulate the conversion of foreign currency into RMB by FIEs through restricting how the converted RMB may be used. It requires that RMB converted from the foreign currency dominated capital of a FIE may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC unless specifically provided for otherwise. It is also prohibited to use the settled foreign exchange capital for purchasing domestic real estate for any purpose other than its own use, unless the enterprise is a foreign funded real estate enterprise. In addition, SAFE strengthened its oversight over the flow and use of RMB funds converted from the foreign currency dominated capital of a FIE, which the use of such RMB may not be changed without approval from SAFE, and may not be used to repay RMB loans if the proceeds of such loans have not yet been used. Under the Circular 142, FIEs shall authorise an accounting firm to conduct capital verification before applying for the settlement of the foreign exchange capital.

The Notice 59 was promulgated by SAFE on 9 November 2010, under which SAFE strengthened its oversight on authenticity examination of settlement of capital raised from overseas listing and converted back. The capital shall only be used for the purpose within scope of the prospectus. The board resolution shall be required to submit to authorities for extra raised funds or for the purpose not clarified in this Prospectus.

The Circular 88 was promulgated by SAFE on 18 July 2011 to regulate foreign exchange payment and settle system by restricting and strengthening authenticity examination on document submitted by FIEs. FIEs shall further submit an original copy of invoice or other payment evidence which can prove that the settlement exchange capital has been paid according to the payment command letter, as well as the print document of authentic certificate of network invoice with a seal of the enterprise or its financial department, other than documents and materials which have been submitted according to the Circular 142.

INFORMATION TECHNOLOGY

Information technology is an essential element of our business infrastructure. Besides our own internal information technology personnel, CBB may also, from time to time, provide information technology consulting services to us, as part of the services provided under the provision of service agreement dated 30 June 2011 entered into between our Company and CBB. On 1 January 2012, we ceased all transactions in respect of these services. Our Directors are of the view that the cessation of such arrangements will not affect the operations of our Company. Please refer to the section titled "Interested Person Transactions — Present Interested Person Transactions which would cease prior to or upon our listing on the Main Board of the SGX-ST — Provision of Service Agreement between CBB and our Company" for further details on the costs paid by our Group for such information technology consulting services.

In view of our dependence on our software systems, we have established disaster recovery procedures, which also include procedures for backup of data.

INSURANCE

Due to the nature of our business, we need to ensure that we have sufficient insurance coverage for our assets and operations. In addition, we may also be required to compensate for any damage that is caused to the collected cord blood units during the processing of such cord blood units in our facilities, which results in our customers not being able to use the collected cord blood for his/her future transplant should such a need arise. In view of the above, we have taken up, among others, the following insurance policies:

Fixed Asset Risks

Fire insurance covering property including, *inter alia*, laboratory equipments, notebooks, cable wires in connection with the building and back-up generators.

Operational Risks

(a) Management liability insurance in respect of loss suffered by our Company, any Director or any officer of our Company arising from any claim made against them for any wrongful act committed by them in their capacity as a Director or officer of our Company;

(b) Medical malpractice insurance in respect of claims made against our Company arising out of any bodily injury, mental injury, illness, disease or death of any patient caused by the negligent act, error or omission committed by our Company in the conduct of its business, including damage to cord blood units during processing in our facilities; and

(c) Group term life insurance in respect of (i) non-payment arising from death or any total and permanent disability suffered by either of a child's biological parents and (ii) goodwill payment made by our Company to the surviving biological parent of a child whose other biological parent suffers death or any total and permanent disability, such child to be of one whose cord blood is stored in our Singapore facilities.

In addition, we have also taken up motor vehicle insurance, public liability insurance as well as certain employee-related insurance such as, *inter alia*, group hospitalisation and surgical insurance, group outpatient insurance and work injury compensation insurance.

Our Company does not have in place product liability insurance because the Cord Blood Banking Services which we provide essentially includes the handling and storing of the cord blood units of our customers. In this regard, we do not manufacture any products of our own for supply to our customers and product liability insurance is accordingly not required. In addition, according to the terms of our cord blood banking contracts, our customers are required to agree to an indemnity which releases us from liability once the cord blood units stored by us is used or transferred by our customers, at which point a third person or organisation would come to handle such cord blood units.

All the policies are in existence and the premiums have been paid thereon. Total insurance expense incurred in FY2009, FY2010, FY2011 and 1Q2012 were S$30,000, S$37,000, S$89,000 and S$31,000, respectively. Our insurance expenses increased in FY2011 due to the hospitalisation and surgical and the dental insurance policies that our Company took up in FY2011, for our employees. No such policies were taken up by our Group prior to FY2011. Our insurance policies are reviewed annually to ensure that we have sufficient insurance coverage.

Our Directors believe that our current insurance coverage is adequate and sufficient for our current operations as at the Latest Practicable Date. However, any significant damage to our properties or disruption to our operations, whether as a result of fire, natural and/or man-made causes, may still negatively impact our results of operations or financial position.

INTELLECTUAL PROPERTY

Trademarks

As at the Latest Practicable Date, our Group has registered the following trademarks:

Trademark	Class	Country of Registration	Registration Number	Validity Period
CORDlife	42	Singapore	T0117911D	22 November 2011 to 22 November 2021
CORDLIFE	39	Singapore	T0214265F	16 September 2002 to 16 September 2012[(1)]
	44	Singapore	T0214266D	16 September 2002 to 16 September 2012[(1)]
	39	Singapore	T0214334B	18 September 2002 to 18 September 2012[(1)]
	44	Singapore	T0214335J	18 September 2002 to 18 September 2012[(1)]
cordlife	44	Hong Kong	300858547	25 April 2007 to 24 April 2017
cordlife 康盛人生臍帶血庫	3, 5, 10, 41, 42, 44	Hong Kong	301647676	24 June 2010 to 23 June 2020

Trademark	Class	Country of Registration	Registration Number	Validity Period
Total Stem Cell Banking 全方位幹細胞儲存	3, 5, 10, 41, 42, 44	Hong Kong	301734336	13 October 2010 to 12 October 2020
CORDLIFE	41	Macau	N/055707	19 August 2011 to 19 August 2018
	42	Macau	N/055711	
	44	Macau	N/055715	
cordlife	41	Macau	N/055710	19 August 2011 to 19 August 2018
	42	Macau	N/055714	
	44	Macau	N/055718	
康盛人生臍帶血庫	41	Macau	N/055708	19 August 2011 to 19 August 2018
	42	Macau	N/055712	
	44	Macau	N/055716	
cordlife 康盛人生臍帶血庫	41	Macau	N/055709	19 August 2011 to 19 August 2018
	42	Macau	N/055713	
	44	Macau	N/055717	
CORDLIFE	41, 42, 44	The Philippines	04-2011-003940	15 September 2011 to 15 September 2021
cordlife cordlife	41, 42, 44	The Philippines	04-2011-003939	27 October 2011 to 27 October 2021

Note:

(1) Our Company intends to renew these trademarks upon its expiration in September 2012.

As at the Latest Practicable Date, our Company has applied for the following trademarks to be registered/assigned to us:

Trademark	Country of Registration	Class	Status
CORDLIFE	PRC	41, 42, 44	Pending approval
cordlife	PRC	41, 42, 44	Pending approval
康盛人生臍帶血庫	PRC	41, 42, 44	Pending approval
	PRC	41, 42, 44	Pending approval
CORDLIFE	Indonesia	41, 42, 44	Pending approval
cordlife	Indonesia	41, 42, 44	Pending approval
CORDLIFE	India	39, 42	Pending assignment from Cordlife India
cord**life**	India	39, 42	Pending assignment from Cordlife India
	India	39, 42	Pending assignment from Cordlife India
	India	39, 42	Pending assignment from Cordlife India

In respect of the aforementioned trademarks, we expect that registration in respect of the PRC trademarks will be obtained on or around November 2012. The registration process in respect of the Indonesian trademarks is still in progress and currently, there is no indication of when registration of these trademarks will be obtained.

Notwithstanding the fact that our Group does not operate in the jurisdictions of PRC, Macau, the Philippines, Indonesia and India, the relevant trademarks have been registered in our name as it was agreed pursuant the demerger of our Company from CBB that all trademarks would be registered under the name of our Company and that our Company would subsequently license the use of such trademarks to the subsidiaries of CBB, pursuant to the Trademark Agreement. The rationale for having one owner for all trademarks in the aforementioned jurisdictions is to ensure that there are no future disputes relating to ownership and entitlement to usage of the trademarks. In addition, upon the expiration of the Non-Compete Agreement, if our Company had not already by then purchased any of the CBB subsidiaries in either Indonesia, the Philippines or India, our Company may also choose to enter into the Indonesian, the Philippines or Indian markets, as the case may be. Accordingly, our Company would be unable to do so if the ownership of the trademarks still remains with CBB.

Moreover, in view of the Co-operation Agreement, it would be commercially beneficial to our Company to license the trademarks to the relevant CBB entities, given the goodwill that had accrued to the trademarks in those jurisdictions. Accordingly, it is in the interests of our Company to license the trademarks to the relevant CBB entities.

The trademarks in India are currently pending assignment from Cordlife India. This is due to the fact that the trademarks were registered in Cordlife India's name prior to our demerger from CBB, when CBB was the holding company of both Cordlife India and our Company. Pursuant to the demerger of our Company from CBB, it is agreed that all trademarks would be registered under the name of our Company and that our Company would subsequently license the use of such trademarks to the subsidiaries of CBB. A nominal fee of S$1.00 would be paid to Cordlife India for the assignment of the trademarks to our Company.

Save as disclosed above, our business or profitability is not materially dependent on any patent, trademark or licence.

RESEARCH AND DEVELOPMENT

Due to the nature of our business, we do not undertake any research and development activities.

PROPERTIES AND FIXED ASSETS

Our Group currently owns the following properties:

Location	Tenure	Approximate gross floor area (sq m)	Encumbrances	Usage
Yishun Industrial Street 1 #05-01 to #05-09 and #06-01 to #06-09 A'Posh Bizhub Singapore 768160[1]	60 years commencing August 2010	2,108	20 years mortgage to DBS Bank Ltd.[2]	Proposed headquarters and facility

Notes:

(1) These properties are currently still under construction. The cost of acquisition of these properties are expected to be approximately S$8.1 million and these properties are expected to receive their temporary occupation permits by 31 December 2012 and the renovation cost in respect of these properties are estimated to be approximately S$3.0 million, which shall be satisfied wholly with proceeds raised from this Invitation.

(2) These properties have been mortgaged to DBS Bank Ltd. for the purpose of securing a term loan (the "**Term Loan**") with the limit of approximately S$6.5 million. The Term Loan shall be for a tenure of 20 years and shall be available for drawdown up to 31 December 2012 or the date of the temporary occupation permits of these properties, whichever is earlier.

Our Group currently leases the following properties:

Location	Tenure	Approximate gross floor area (sq m)	Encumbrances	Usage
61 Science Park Road #05-16/ 17/18, The Galen, Singapore Science Park II, Singapore 117525	5 years commencing 9 September 2007[(1)]	484	—	Office headquarters and facility
Unit G11, G12 and G15 of the Ground Floor of Biotech Centre 2. No. 11 Science Park West Avenue Phase Two, Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong (Tai Po Lot No. 182)	6 years commencing 1 December 2009	786	—	Offices and facility
Shop No. 10 and 17, Franki Centre, No. 320 Junction Road Kowloon Hong Kong	2 years commencing 2 June 2010	90	—	Offices
Room 2705, Tianan International Building Tower B, South Renmin Road, Luohu District, Shenzhen, China	1 year commencing 1 January 2012	89.1	—	Offices
26F Anlian Building, No. 4018 Jintian Road, Futian District Shenzhen, China	1 year commencing 1 June 2011	100	—	Temporary office

Note:

(1) Our Company has entered into discussions with the landlord, Singapore Science Park Limited, to extend the tenure of this lease upon its expiration on 8 September 2012 up until such time when construction and renovations of our proposed new headquarters and facility at Yishun Industrial Street 1 #05-01 to #05-09 and #06-01 to #06-09 A'Posh Bizhub Singapore 768160 is completed.

Save as disclosed in this Prospectus and to the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties.

Fixed Assets

As at 30 September 2011, we had major fixed assets with net book values as follows:

(S$'000)	
Furniture and fittings	143
Laboratory equipment	497
Office equipment	261
Motor vehicles	23
Leasehold improvement	722
Total	**1,646**

There are no regulatory requirements that may materially affect our Group's utilisation of a tangible fixed asset.

COMPETITION

To the best of our knowledge and belief, our major competitors in the industry are StemCord Pte Ltd in Singapore as well as CryoLIFE Cord Blood Bank of Hong Kong and Healthbaby (HK) Biotech Co., Ltd in Hong Kong. Due to the "one licence per region" policy promulgated by the health ministry in the PRC, Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya) has no competitors in the Guangdong province.

None of our Directors, Controlling Shareholders, or Substantial Shareholders has any interest, direct or indirect, in the above competitors.

COMPETITIVE STRENGTHS

We believe our principal competitive strengths are as follows:

Market leadership

According to the Market Research Report conducted by DTFAS, the market share held by our Company in Singapore in 2010 is approximately 62.0% and the market share held by Cordlife Hong Kong in Hong Kong in 2010 is approximately 28.0%. Accordingly, we are the dominant market leader in Singapore and amongst the leaders in Hong Kong in terms of market share, enabling us to price our services at a premium to our competitors, attract greater publicity and making us the preferred partner of vendors who offer complementary products and services.

Clinical leadership

We have displayed our clinical leadership as we believe we are one of the first private cord blood banks in Singapore and amongst the first in Hong Kong to have issued cord blood units stored with us for transplants and other therapeutic use. We continue to engage the medical community in driving the medical utility of cord blood. For instance, we were the first private cord blood bank to release cord blood units for the treatment of cerebral palsy in Singapore.

Quality leadership

We were one of the first in Singapore and amongst the first in Asia to be accredited by AABB and have remained accredited since 2005. Our Hong Kong facility has been certified ISO:9001 since August 2007 and was accredited by AABB in October 2011.

Technology leadership

We were one of the first to adopt the automated processing system in Singapore and Hong Kong and we are constantly seeking to improve our services through the use of technology which will improve the utility of the cord blood units that we store.

Experienced and dedicated management team

We have a strong and dedicated management team led by our Executive Director and Chief Executive Officer who oversees the overall business strategy, corporate development and business growth of our Group. Our Executive Director and Chief Executive Officer, Mr Yee Pinh Jeremy has been instrumental in the growth and development of our Company over the last ten years, first as the chief operations officer of our Company, then as the chief financial officer of CBB and now as our Chief Executive Officer. He is supported by our Executive Officers who have been in our Company in various positions before assuming their current leadership roles. Such cross functional experiences have given them an in-depth knowledge of the industry and our Group.

Established and proven track records

We believe that our track record both as a pioneer in the cord blood banking industry within Asia and our growth over the last ten years, is testament to our deep understanding of the market forces, regulations and competitive environment of the cord blood banking industry, thus enabling us to remain a market leader in the regions in which we operate in.

Established brand and marketing and distribution networks

We have a well-established brand and extensive marketing and distribution networks that provide us with significant leverage in introducing other tissue banking products and services in the future. In particular, we have entered into collaborative relationships or arrangements with the major private hospitals and several clinics in Singapore and Hong Kong and actively seek to improve recognition and promote awareness of our services through our continuous sales and marketing efforts. In addition, Cordlife Shanghai began the process of establishing a branch office in Shenzhen, Guangzhou, in January 2012, which will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong by educating expectant mothers in the Guangdong province who intend to deliver in Hong Kong about the benefits of cord blood banking.

PROSPECTS

Demand for private cord blood banking is determined by a number of factors, including, *inter alia*, the number of expectant mothers as well as the proportion of such mothers who are aware of cord blood banking and are willing to pay for the provision of such services.

In turn, the proportion of expectant mothers willing to pay for private cord blood banking services is driven by awareness and acceptance of the service and its affordability, the latter being a function of economic conditions, consumer lifestyle and standard of living.

Singapore

According to the Market Research Report conducted by DTFAS, the total number of new births in Singapore is expected to remain relatively constant at approximately 38,000 births per year. This could potentially increase in the long run with immigrants adding to the number of new births.

Singapore also serves as a processing and storage hub for Indonesian and Filipino customers who view Singapore as a more secure location for cord blood storage and are able to pay to have their child's cord blood units couriered to Singapore for processing and storage.

According to the Market Research Report conducted by DTFAS, the current incremental number of cord blood units stored per year is anticipated to grow at CAGR of 9.0%, reaching approximately 14,300 new cord blood units stored per year in 2015 from approximately 9,300 in 2010.

Another factor contributing to the demand in cord blood banking services is the pro-family initiatives of the Singapore government, which support marriages and parenting. Examples of such initiatives include the Baby Bonus Scheme(1), which entitles eligible parents to cash gifts and dollar-for-dollar saving accounts of which the latter can be used to pay for our Cord Blood Banking Services.

Contributing to this growth is an increase in the awareness and acceptance of cord blood banking which is supported by the following factors:

- Cord blood banking has become more meaningful to expectant mothers given the increase in the number and success rate of cord blood transplants in Singapore and the growing number of future applications under development worldwide.
- Generally favourable attitude of the medical community towards cord blood banking.
- The higher educational level of expectant mothers(2).

---

(1) Source: Website of the Ministry of Community Development, Youth and Sports ("MCYS") at http://app1.mcys.gov.sg/Assistance/BabyBonusScheme.aspx. Please note that the MCYS has not consented to the inclusion of the information obtained from its website and thereby is not liable for such information under Sections 253 and 254 of the Securities and Futures Act. Our Directors are aware that the MCYS does not guarantee or assume responsibility that the information in its website is accurate, current or reliable, or may be used for any purpose other than for general reference. We are unable to verify the accuracy of the relevant information and have included such information in its proper form and context in this Prospectus.

(2) Source: Newspaper report titled "Late (great) expectations" dated 23 July 2010 published in The Straits Times by the Singapore Press Holdings Ltd ("SPH") reported by Theresa Tan at http://www.straitstimes.com. Please note that SPH has not consented to the inclusion of the information obtained from its report and thereby is not liable for such information under Sections 253 and 254 of the Securities and Futures Act. Our Directors are aware that SPH does not guarantee or assume responsibility that the information in its publication is accurate, current or reliable, or may be used for any purpose other than for general reference. We are unable to verify the accuracy of the relevant information and have included such information in its proper form and context in this Prospectus.

- Concentrated population and well developed media infrastructure.
- Higher income levels and increasing healthcare spending.

Hong Kong

According to the Market Research Report conducted by DTFAS, the number of births in Hong Kong has been steadily increasing over the last several years, due to the greater number of PRC expectant mothers seeking maternity services in Hong Kong. However, due to the strain on medical resources, the Hong Kong Government has imposed a quota on the number of PRC expectant mothers delivering in Hong Kong with effect from 2012. Moving forward, the quotas in respect of each calendar year will be announced in the first quarter of the preceding calendar year.

Currently, private cord blood banks are only allowed to collect cord blood from private hospitals. The quota for private hospitals places for PRC expectant mothers has been set at 31,000 for 2012, a 2,000 decrease from the number of deliveries in 2010. It is anticipated that these quotas will limit private hospital deliveries to approximately 40,700 a year. However, such quota may be accordingly increased in the future if the hospital capacity can be increased.

The current incremental number of cords stored per year is also anticipated to grow at a CAGR of 10.0%, reaching approximately 8,400 new cords stored per year in 2015 from approximately 5,200 in 2010.

Contributing to this growth is the increasing awareness and acceptance of cord blood banking in Hong Kong which is supported by the following factors:

- Cord blood banking has become more meaningful to expectant mothers given the increase in the number of future applications of cord blood stem cells under development worldwide.
- Generally favourable attitudes of the medical community towards cord blood banking.
- Celebrity endorsements.
- More efficient marketing platforms to increase awareness especially amongst the PRC expectant mothers delivering in Hong Kong.
- The improving wealth profile as Hong Kong's per capita GDP improves, following the global downturn in 2008.

China

According to the Market Research Report conducted by DTFAS in China, each cord blood bank operates exclusively in its province and are not permitted to provide cord blood banking services beyond its province.

Of the ten provinces, seven licences to operate have been issued by the department of health, including the province of Guangdong. We have a 10.0% indirect stake in Guangzhou Tianhe Nuoya, which is the sole cord blood banking operator in the province of Guangdong.

The province of Guangdong has approximately 1.1 million births per year and the penetration rate was approximately 2.0% in 2010. The penetration rate is anticipated to grow to 5.0% by 2015 driven by:

- Increasing levels of acceptance and awareness influenced by the increasing applications of cord blood and the increasing success rate of transplants.

- The effectiveness of educational and marketing platforms of cord blood banking operators.

- An expanding middle class which can better afford private cord blood banking services.

- Increased spending on healthcare. Healthcare spending increased by 38% between 2006 and 2009, amongst urban residents.

Based on our understanding and the Market Research Report conducted by DTFAS, the PRC Ministry of Health's one cord blood license-holder per region policy is unlikely to change.

Stable Recurring Cash Flows

We currently have approximately 20,000 customers (the "**Annual Payment Customers**") enrolled with us in both Singapore and Hong Kong, who have selected payment structures that contractually binds them to pay us approximately S$250 or HK$1,500 (approximately S$250) on every anniversary of the birth of their child till the child's maturity age at either 18 or 21 depending on the jurisdiction in question. In the event of a default whereby one of our Annual Payment Customer fails to make annual payments in accordance with the terms of the cord blood banking contracts, our Company may terminate the cord blood banking contract by providing the relevant customer with a 14-day termination notice and demand for any unpaid sums due to us. This being said, for FY2009, FY2010, FY2011 and 1Q2012, the number of Annual Payment Customers defaults accounted for approximately a nominal percentage, 0.1%, 0.2% and a nominal percentage of our total customers respectively.

For FY2009, FY2010, FY2011 and 1Q2012, instances of pre-mature termination due to non-collection and unsuitability of storage accounted for approximately 5.0%, 5.2%, 5.9% and 6.0% of our total customers respectively. In such instances we do not recognise revenue for those customers in the first instance.

There are no instances of customers terminating their contracts early to transfer the stored cord blood units to another facility.

We anticipate recurring cash flows of approximately S$5.0 million from our Annual Payment Customers over the next several years over their contract period. In addition, we have continued to grow our subscriber base every year. Such stable recurring cash flows provide a stable base and allow our Company to withstand downturns in the business cycle.

We believe that our recurring cash inflow form a "floor" for our ability to generate cash in-flows.

ORDER BOOK

Due to the nature of our businesses, we do not have an order book.

TREND INFORMATION

Based on our knowledge of the cord blood banking industry and the Market Research Report:

- The number of new births per year in Singapore and Hong Kong is expected to remain relatively constant at approximately 38,000 and ranging between 43,000 and 49,000 respectively. We believe that this forms a stable base for the number of new customers that we could enrol on a yearly basis and provide a steady stream of revenue should we be able to maintain our market share at the current price of our service.

- We expect that private cord blood banking in Hong Kong will remain open to expectant mothers delivering in private hospitals only, restricting the addressable market in Hong Kong to approximately 41,000 by 2015. This restriction has been in place since we began operations in Hong Kong and we do not believe that such restriction will have any additional negative impact on our prospects in Hong Kong.

- We anticipate the private incremental cord blood storage units in Singapore to increase at a CAGR of around 9.0%, from 9,300 in 2010 to 14,300 per year by 2015. We believe that this will translate to an increase in demand for our Cord Blood Banking Services should we maintain our market share.

- We anticipate the annual incremental storage units at private cord blood banks in Hong Kong to grow at a CAGR of 10.0%, from 5,200 in 2010 to 8,400 per year by 2015. We believe that this will translate to an increase in demand for our services should we maintain our market share.

- The private sector's penetration rate of cord blood units stored privately in Guangdong is expected to jump by more than double to 5.0% by 2015. Given that Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in it) is the sole licence-holder for the operation of a cord blood bank in Guangdong, the demand for its service should increase and corresponding increase the value of our 10% investment in them and in turn, result in a higher contribution from Guangzhou Tianhe Nuoya towards our earnings.

- According to a circular issued by the PRCMOH on 16 December 2005, and also an extension notice published in February 2011, no more provinces will be added to the ten currently allowed to host cord blood banking (until 2015). This will allow Guangzhou Tianhe Nuoya (which is relevant due to our indirect 10.0% shareholding interest in it) to continue to enjoy its exclusive position and capitalise on virtually all the demand for cord blood banking services in Guangdong.

- In the long run, cell expansion technology may be further developed while the application fields of cord blood units may also be expanded, making cord blood banking more meaningful and well-accepted by the public. We believe that this will increase the demand for cord blood banking and accordingly our Cord Blood Banking Services if we are able to maintain our market share. We anticipate that subsidies offered by the Singapore government to all children who are citizens of Singapore for the purposes of medical expenses, including cord blood collection and storage to continue. We believe that the subsidy has increased the affordability of cord blood banking service and hence the demand for our Cord Blood Banking Services.

- Generally, we have not experienced any sharp fluctuations in the cost of sales and selling prices of our services and products except for an increase in the cost of maternal blood testing which was required due to a change in the AABB standards. These additional costs of maternal blood testing were not passed onto our customers as they had contracted with our Group prior to the increase in service fees in September 2011 to include the additional cost of testing.

- Generally, we expect our operating expenses to increase in the current financial year due mainly to increase in salaries and related costs of recruiting additional personnel to support our business growth as well as the increase in expenses due to activities related to this Invitation and additional compliance costs required for a listed company. We also expect to increase our marketing activities to raise the market awareness of the benefits of cord blood and umbilical cord tissue banking.

Save as disclosed above, and as disclosed in the section titled "Risk Factors" of this Prospectus and barring any unforeseen circumstances, our Directors are not aware of any other significant recent trends in cord blood banking and in the costs and selling prices of our services or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section titled "Cautionary Note on Forward-Looking Statements" of this Prospectus.

STRATEGIES AND FUTURE PLANS

Leverage on our Company as the dominant market leader and an established brand in Singapore and Hong Kong, the existing markets which we currently operate in

Leveraging on our expertise, experience and existing market reputation of being an established brand and an accredited service provider, we intend to continue growing our core business with respect to the provision of Cord Blood Banking Services in Singapore and Hong Kong, which are the existing markets which we currently operate in. Going forward, we intend to develop our position further in Singapore and Hong Kong. To this end, we intend to undertake certain marketing activities which are aimed at promoting awareness towards the benefits of cord blood banking in the markets of Singapore and Hong Kong. Proceeds raised from this Invitation will not be utilised for the implementation of these marketing activities.

Moving forward, we would also be able to increase the capacity at which we currently operate as the larger space of our new proposed headquarters and facility at Yishun, A'Posh Bizhub, would accordingly enable us to store up to approximately 650,000 cord blood units when constructed and further entrench our market reputation and position.

Capitalise on strategic investment in the PRC for growth in Hong Kong

Our marketing collaboration agreement with China Cord Blood gives us access to PRC expectant mothers in Beijing and the Guangdong and Zhejiang provinces who intend to deliver in Hong Kong, as China Cord Blood agrees, pursuant to the terms of the agreement, to utilise and authorise its sales resources and sales team to assist Cordlife Hong Kong in the promotion of Cordlife Hong Kong's Cord Blood Banking Services in the PRC and in particular, undertake marketing activities to promote the Cord Blood Banking Services offered by Cordlife Hong Kong to expectant mothers who intend to deliver in Hong Kong. Of particular strategic value is the fact that there are over 140 hospitals in the Guangdong province as at December 2010 coupled with the fact that the Guangdong province is the area where PRC-expectant mothers who intend to deliver in Hong Kong typically move to, prior to, and in preparation for their delivery. Through our marketing collaboration with China Cord Blood, we would be able to educate this market segment about cord blood banking and market our Cord Blood Banking Services to them before they arrive in Hong Kong.

To further this strategy, Cordlife Shanghai began the process of establishing a branch office in Shenzhen, Guangzhou, in January 2012. This branch office will undertake marketing activities in the Guangdong province to promote our Cord Blood Banking Services offered in Hong Kong by educating expectant mothers in the Guangdong province who intend to deliver in Hong Kong about the benefits of cord blood banking, thus increasing their awareness towards such benefits.

Leverage on expanded clinical use to drive perceived utility of cord blood banking

As medical development expands the therapeutic utility of cord blood banking, the perceived value of cord blood banking will be enhanced. We actively keep abreast of research in the area of clinical utility of cord blood and seek to update our customers on these developments on a periodic basis. As a result of this, we have from time to time, been approached by customers whose child may be suffering from diseases and who may require cord blood therapy for their treatment. For instance, one of the cord blood units stored by our Company was previously released for the treatment of a patient suffering from cerebral palsy in Singapore, based on such an inquiry from a parent.

In addition, our Company also plays an active role in working closely with physicians with respect to the provision of cord blood units for use during these transplants, should such a need arise from our customers.

Diversify into secondary and complementary services

We were one of the first to introduce the automated processing system in Singapore and Hong Kong and were able to increase our margins with this value-adding proposition to our clients. We entered into, *inter alia*, the Cordlife Stem Cell Technology Co-operation Agreement, which gave us the rights to use certain technology and expertise with respect to umbilical cord tissue banking, thus allowing us to offer umbilical cord tissue banking services to our customers, pursuant to which we launched the provision of umbilical cord tissue banking service in Hong Kong in March 2011. We are currently also exploring the possibility of offering umbilical cord tissue banking services in Singapore and we have began discussions with the MOH in relation to the licensing requirements for the provision of such a service. We currently have no indicative timeline for the implementation of such service yet, if at all. As such, there is no clarity on whether proceeds to be raised from this Invitation will be utilised towards the purpose of implementation of the umbilical cord tissue banking services in Singapore. However, as and when the funds to be raised from this Invitation are materially disbursed, our Company will make period announcements via SGXNET and provide a status report on the use in our annual reports.

The provision of this additional umbilical cord tissue banking service serves to enhance the suite of services provided by our Group, thereby distinguishing us from our competitors and enabling us to attract more customers.

We intend to grow our service offering through collaborations, in-licensing and strategic alliances as opposed to in-house research and development programme and consider Singapore an ideal place for such activities, given the depth of public biomedical research and the pro-collaboration attitudes of research institutions.

Growth through accretive acquisitions in selected markets

We are well placed to grow our business organically and are also actively seeking opportunities to broaden our service offering and expand our geographical coverage in Asia through acquisitions of businesses similar to that of ours which are profitable and are a good fit with our culture and standards, in selected markets around the region.

As part of our expansion plans, we entered into a subscription agreement with CSCT, which holds 85% of Cordlife India, on 7 March 2012, pursuant to which we will invest S$1.5 million in CSCT, through the subscription of the Bonds issued by CSCT. The investment amount of S$1.5 million is intended for the expansion of operations of CSCT and Cordlife India only. This sum will be financed by the internally generated funds of our Company. CSCT holds 85.0% of Cordlife India. The remaining 15.0% interest in Cordlife India is held by an unrelated third party. CSCT is an investment holding company and has no operating businesses.

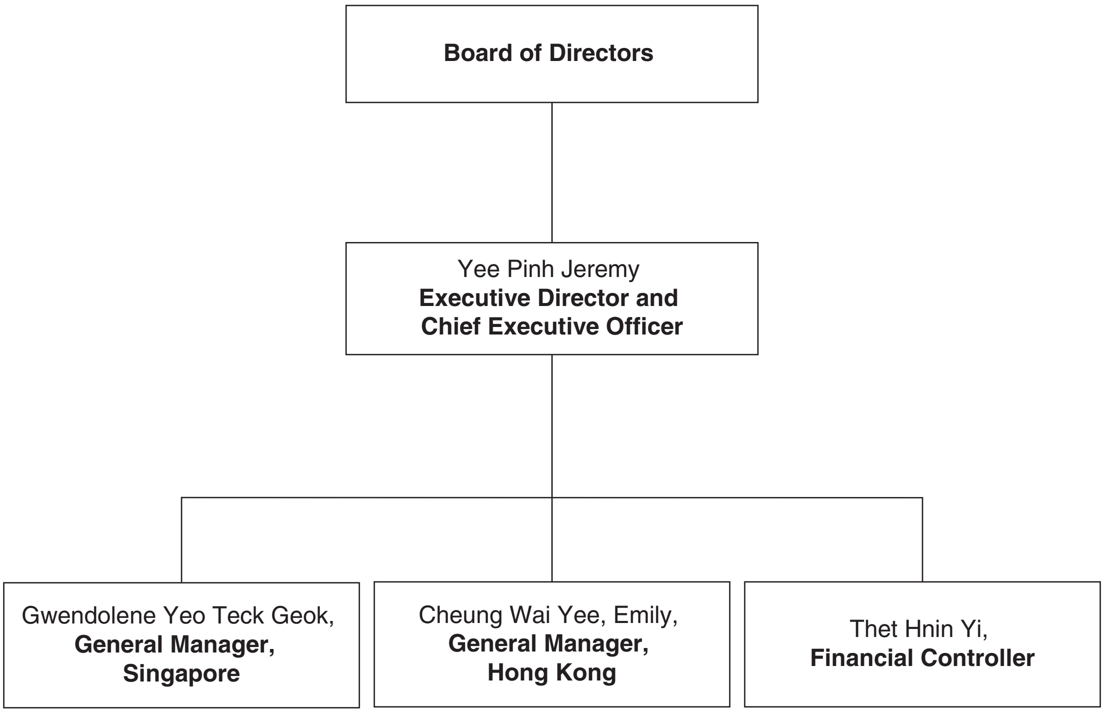
Please refer to the section titled "Interested Person Transactions — On-going Transactions — (7) Investment in Cordlife India" for further details.

For so long as the Bonds remain outstanding, our Company shall have the right to appoint one member to the board of directors of CSCT and restrict CSCT from issuing new shares. We were approached by CSCT for an investment opportunity. Our investment via the Bonds was to enable us to follow and track the business development and progress of Cordlife India and give our Company the option to acquire a stake in Cordlife India, should Cordlife India perform successfully.

Currently, our targeted markets for acquisitions include Indonesia, India and the Philippines. In connection with our demerger from CBB, we had entered into the ROFR Agreement pursuant to which we were granted a right of first refusal to acquire CBB's cord blood banking businesses and operating companies in Indonesia, the Philippines and India, should CBB propose to sell their cord blood banking businesses in these jurisdictions within the respective periods as stipulated in the ROFR Agreement. The Non-Compete Agreement prohibits our Company from undertaking any activities or carrying on any business or trade that competes directly with the business carried on or proposed to be carried on by CBB in Indonesia and the Philippines for a period of three years from 30 June 2011 and in India for a period of five years from 30 June 2011. It also prohibits our Company from acquiring other similar existing businesses in these jurisdictions. Please refer to the section titled "General Information on Our Group — Restructuring Exercise — Demerger from CBB" of this Prospectus for further details. However, the Non-Compete Agreement does not prohibit our Company from investing in the existing business carried out by Cordlife India. Furthermore, it is envisaged that once Cordlife India turns profitable, our Company, pursuant to the Right of First Refusal, will have the first opportunity to acquire Cordlife India, should CBB decides to dispose of Cordlife India at that time. The Non-Compete Agreement does not prohibit our Company from acquiring the business owned by the subsidiaries of CBB, pursuant to its rights under the ROFR Agreement, as such acquisitions would not be construed as competing with the CBB subsidiaries. Accordingly, our investment in Cordlife India is therefore not inconsistent with the terms of the Non-Compete Agreement. If we acquire CBB's businesses and operating companies in Indonesia, India or the Philippines, our Group would be able to expand our operations in these jurisdictions.

In the event that CBB does not propose to sell their cord blood banking businesses after the expiration of the respective periods as stipulated in the Non-Compete Agreement, our Group may choose to set up our own operations in those jurisdictions or elsewhere. The term of the Non-Compete Agreement is the same as the term of the ROFR Agreement in relation the jurisdictions mentioned above. Upon the expiry or termination of the Non-Compete Agreement, the Trademark Agreement and the ROFR Agreement, our Company may enter into these jurisdictions to compete directly with CBB.

MANAGEMENT REPORTING STRUCTURE



DIRECTORS AND EXECUTIVE OFFICERS

Our Directors are entrusted with the responsibility for the overall management of our Company. Our Directors' particulars are set out below:

Directors

Name	Age	Address	Position
Dr Ho Choon Hou	39	3 Astrid Hill Singapore 269926	Chairman and Non-executive Director
Mr Yee Pinh Jeremy	42	52 Seletar Terrace Singapore 806944	Executive Director and Chief Executive Officer
Ms Jin Lu	46	24 Queen Astrid Park Singapore 266829	Non-executive Director
Mr Ho Sheng	55	3 West Coast Walk #22-06 The Parc Singapore 127140	Lead Independent Director
Dr Goh Jin Hian	43	19 Holland Green Singapore 276142	Independent Director
Mr Ng Tiak Soon	62	40 Springleaf Crescent Singapore 788354	Independent Director

None of our Directors are related either by blood or by marriage to each other or by any other family relationship, to our Substantial Shareholders or Executive Officers.

Information on the areas of responsibility, the business and working experiences of our Directors are set out below:

Dr Ho Choon Hou is our Chairman and Non-executive Director and was appointed in June 2011. Dr Ho Choon Hou is currently Director at Southern Capital Group Limited, a private equity firm, where he is responsible for the origination and execution of investments for the company's portfolio of clients. Prior to joining Southern Capital Group Limited, Dr Ho held various medical portfolios in the healthcare industry. From 2004 to 2007, he served as Project Office Head and subsequently Deputy Director at National Healthcare Group where he was involved in directing special projects and investments and held general management responsibilities. From 1996 to 2004, Dr Ho was the Registrar, Department of General Surgery, at Tan Tock Seng Hospital where he was responsible for conducting general surgeries. Dr Ho holds a Bachelor of Medicine & Bachelor of Surgery from The University of Sheffield as well as a Masters in Medicine (Surgery) from the National University of Singapore. He also obtained his Masters of Business Administration (Honours) from The University of Chicago (The Graduate School of Business).

Mr Yee Pinh Jeremy is our Executive Director and Chief Executive Officer. He was appointed Chief Executive Officer on 30 June 2011 and had been Executive Director in our Company since January 2004. As Executive Director and Chief Executive Officer of our Group, Mr Yee is responsible for identifying and implementing company-wide business growth strategies and organisational structures and is directly responsible for all aspects of our Group's growth and operating functions. In addition, Mr Yee was the Chief Financial Officer of CBB from 2004 to 2011 where he was directly responsible for the group's financial function, including statutory filings, accounting audits, finance controls and treasury. From 2002 to 2003, Mr Yee was Director of Corporate Development and later Chief Operating Officer of our Company, where he was responsible for its overall corporate development activities. For the respective periods for 1997 to 1999 and 2001 to 2002, Mr Yee was Assistant Managing Consultant at KPMG LLP where his job scope included providing audit and strategic consulting to the firm's portfolio of clients and heading and managing the consultant team, respectively. In 1999, he was Risk Management Internal Auditor at United Overseas Bank Limited where he was responsible for performing audit assignment. From 1996 to 1997, Mr Yee was Treasury Analyst at American Express Company where he was responsible for financial modelling, forecasting, risk and performance management for the company's portfolio of clients. Mr Yee held the position of Cadet Pilot at Singapore Airlines Limited in 1995 to 1996. From 1994 to 1995, he was Credit Officer at Malayan Bank Berhad where he was responsible for policies and procedures surrounding the credit that the bank extends to its customers. Mr Yee obtained his Bachelor of Arts in Economic and Social Studies from The Victoria University of Manchester in 1994. He also holds a Bachelor of Commerce (Professional Accounting) and a Master of Commerce (Finance with Banking/Management), which he received from Murdoch University in 2009 and The University of Sydney in 1996 respectively. In addition, Mr Yee also holds a Master of Business Administration which he obtained from the Nanyang Technological University in 2011 and a Master of Business Administration which he obtained from the University of Chicago Booth School of Business in 2012. Mr Yee also received the Furama Ltd Endowed Book Prize from the Nanyang Technological University.

Ms Jin Lu is our Non-executive Director and was appointed in July 2011. Ms Jin is currently Executive Director of Golden Meditech Holdings Limited, a position she has held since 2000, where she is responsible for general administration and daily operations of the company. Ms Jin obtained her Bachelor in Foreign Language and Executive Master of Business Administration from the Beijing International Studies University (北京第二外国语学院) and Peking University (北京大学) in 1987 and 2005 respectively.

Mr Ho Sheng is our Lead Independent Director and was appointed in July 2011. Mr Ho is currently Partner of Banamai Capital, a position he has held since 2005, where he is responsible for providing investment advisory services for the company's portfolio of clients around Asia. In 2003, he co-founded EMBA Club Ltd, Beijing and was responsible for spearheading and executing projects undertaken by Chinese state-owned enterprises. From 2001 to 2003, he was Senior Vice President, Investments, at Citigroup Global Markets Singapore Pte. Ltd. where he provided investment advisory services to government-linked companies located in Singapore, government ministries and agencies as well as corporations and institutions around the ASEAN region. From 1990 to 1997, Mr Ho was Executive Director and Board Member at UBS Warburg & Associates (Singapore) Pte Ltd where he was responsible for marketing securities to large institutional clients and the reporting functions of the company to the SGX-ST and the Authority. He held the positions of Securities Dealer at DBS Securities Singapore Pte Ltd (now known as DBS Vickers Securities Pte Ltd) and Currency Broker at Marshalls (S) Pte Ltd for the respective periods of 1987 to 1990 and 1981 to 1984 during which he marketed Asian securities to high net worth and institutional clients as well as traded sterling spots and swaps, servicing clients in Europe, Japan and Asia, for the respective periods. Mr Ho obtained his Bachelor of Economics from the University of Tasmania in 1987. He also holds a Master of Applied Finance from Macquarie University. In addition, Mr Ho is also an associate of The Institute of Chartered Secretaries and Administrators, United Kingdom and senior associate of the Australian Institute of Finance and Banking.

Dr Goh Jin Hian is our Independent Director and was appointed in July 2011. Dr Goh is currently Executive Consultant of ParkwayHealth, Singapore, a position he has held since April 2011, where he advises and assists in hospital and other projects. He is also currently Group Executive Director of IAG Healthsciences Pte Ltd where he is responsible for overseeing the business and strategic direction of the company, which operates traditional Chinese medicine facilities and sets up clinic management systems in Singapore and China. From February 2009 to March 2011, Dr Goh was Senior Vice-President, Growth Innovation & Strategy of ParkwayHealth, Singapore, where he was responsible for strategic planning and business developments with the mandate to grow the hospital's international business. For each of the respective periods from November 2007 to February 2008 and July 2006 to November 2007, Dr Goh held the positions of Director, Group Special Projects and Chief Executive Officer at Parkway Holdings Ltd, Gleneagles Hospital, where he was on a short-term assignment to lead and oversee the pre-bid evaluation exercise for the government's first land tender for the new private hospital project at Novena and oversaw the hospital operations as well as nursing and service delivery functions of the hospital, respectively. Since October 2003 to date, Dr Goh has been Executive Director of Shenton Insurance Pte Ltd where he provides strategic leadership on product development and is responsible for marketing to corporate clients. From July 2002 to 2003, he was Chief Operating Officer at Parkway Health, Mount Elizabeth Hospital, where he was under a short term concurrent secondment to Mount Elizabeth Hospital to understudy the Chief Executive Officer and review integration of primary care network services with the hospital division. With regards to each of the respective periods from April 1999 to January 2007, May 1987 to March 1999 and October 1997 to April 1998, Dr Goh held the positions of Executive Director at Parkway Shenton Pte Ltd, Deputy Medical Director, Executive Health Screeners and Director at Shenton Medical Group and Director of Gleneagles International GP Pte Ltd, where he was responsible for the business growth and operations of the relevant hospitals. From May 1992 to September 1997, he was a General Practitioner employed by the Ministry of Health and later Medical Officer at Gleneagles Maritime Medical Centre. 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.

Mr Ng Tiak Soon is our Independent Director and was appointed in November 2011. Mr Ng is currently a self-employed consultant providing consultancy services on a part-time basis. Mr Ng has over 30 years of experience in the audit, commercial and industrial sectors. He retired in June 2005 as a senior partner of Ernst & Young LLP, where he had joined since 1986, and later, he remained with Ernst & Young LLP as a Senior Advisor until June 2008. During his employment with Ernst & Young LLP, he held various positions which include Head of Banking, Head of an audit group, Partner-in-charge of audit quality review and Chief Financial Officer. He is currently a non-practicing member of the Institute of Certified Public Accountants as well as a member of Association of Chartered Certified Accountants, United Kingdom and a member of the Singapore Institute of Directors. Currently, he is an independent director of three SGX-ST Catalist-listed companies.

Pursuant to Rule 210(5)(a) of the Listing Manual, each of our Directors (save for Mr Ng Tiak Soon) do not have prior experience as directors of any public listed company in Singapore. However, each of Dr Ho Choon Hou, Mr Yee Pinh Jeremy, Ms Jin Lu and Dr Goh Jin Hian had on 4 October 2011, and Mr Ho Sheng had on 11 January 2012, attended the course titled "Listed Company Director Essentials — Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know" organised by the Singapore Institute of Directors and such Directors have familiarised themselves with the roles and responsibilities of a director of a public listed company in Singapore.

As at the Latest Practicable Date, the list of present and past directorships of each Director over the last five years preceding the Latest Practicable Date is set out below:

Name	Present Directorships	Past Directorships
Dr Ho Choon Hou	Group Companies	Group Companies
	None	None
	Other Companies	Other Companies
	Andromeda Capital Pte. Ltd. Fullerton Healthcare Group Pte. Limited Quantum Labs Pte. Ltd. Rotary Club of Sentosa Charity Limited Sensable Pte. Ltd. Mclean Technologies Berhad	Asiadoc Pte. Ltd. Energhy Pte. Ltd. Healthsigns Pte. Ltd.
Mr Yee Pinh Jeremy	Group Companies	Group Companies
	CLS Services Pte. Ltd. Cordlife (Hong Kong) Limited Shanghai Cordlife Biomedical Research Co., Ltd.	None
	Other Companies	Other Companies
	None	Cordlife International Pte. Ltd. Cordlife Investment Limited Cordlife Limited Cordlife Sciences India Pvt. Ltd. Cordlife Services (S) Pte. Ltd. Cordlife Stem Cell Technology Ltd Cygenics (Thailand) Co Ltd PT Cordlife Indonesia

Name	Present Directorships	Past Directorships
Ms Jin Lu	Group Companies None Other Companies Golden Bridge United Financial Leasing Co., Ltd. Golden Bridge United Holdings Group (H.K.) Limited China Bright Group Co. Limited Golden Meditech (BVI) Company Limited Golden Meditech Herbal Treatment (BVI) Company Limited Golden Meditech Holdings Ltd. Golden Meditech Medical Devices Distribution (BVI) Company Limited Golden Meditech (S) Pte. Ltd. Golden Meditech Stem Cells (BVI) Company Limited Qi Jie Yuen Medicine Holding (HK) Limited Skyland Group Co., Ltd	Group Companies None Other Companies None
Mr Ho Sheng	Group Companies None Other Companies None	Group Companies None Other Companies House of Mandalay (Private Limited) New General Private Limited
Dr Goh Jin Hian	Group Companies None Other Companies Grandale Overseas Inc Gleneagles Maritime Medical Centre (China) Limited IAG Healthsciences Pte Ltd IAG Pacific Petrochemical Pte. Ltd. IXchange Pte. Ltd. Liona Consultancy Pte. Ltd. Parkway Shenton Pte Ltd Shenton Insurance Pte. Ltd.	Group Companies None Other Companies EHS Health Screeners Pte. Ltd. Gleneagles CRC Pte Ltd GMMC Maritime Medical Centre Pte. Ltd. Hale Medical Clinic (Concourse) Pte. Ltd. IAG Zhong Ti Pharmaceutical Co. Pte. Ltd. Nippon Medical Care Pte Ltd Parkway Shenton Vietnam Limited

Name	Present Directorships	Past Directorships
		Parkway Shenton International Holdings Pte. Ltd. Shenton Family Medical Clinics Pte Ltd Shenton Medical Centre Pte Ltd Shenton Medical Holdings Pte Ltd SMG Medical Group Pte. Ltd. Sunshine Oil (S) Pte. Ltd. Wuyi International Pharmaceutical Company Limited
Mr Ng Tiak Soon	Group Companies None Other Companies 800 Super Holdings Limited Kinergy Ltd. PJ Consultants Pte Limited St. James Holdings Limited	Group Companies None Other Companies Wanxiang International Limited

Executive Officers

Our Directors are assisted by our team of Executive Officers whose particulars are as follows:

Name	Age	Address	Position
Ms Gwendolene Yeo Teck Geok	37	Block 33, Chai Chee Avenue, #25-246 Singapore 461033	General Manager, Singapore
Ms Cheung Wai Yee, Emily	48	Flat 3, 6/F, Block 12, Heng Fa Chuen, Chaiwan, Hong Kong	General Manager, Cordlife Hong Kong
Ms Thet Hnin Yi	35	Block 56, Havelock Road #08-144 Singapore 161056	Financial Controller

None of our Executive Officers are related either by blood or by marriage to each other or by any other family relationship, to any of our Substantial Shareholders of our Company or our Directors.

Information on the areas of responsibility, the business and working experiences of our Executive Officers are set out below:

Ms Gwendolene Yeo Teck Geok is our General Manager, Singapore and is responsible for all functional and business units within our Company. Prior to joining our Group in December 2002 as Clients Relations Executive where her job scope included counselling direct consumers with regards to the benefits of cord blood banking, she was Project Manager and subsequently Senior Project Manager at Equinox Art & Design Pte Ltd from June 2000 to December 2002 where she was responsible for the business development functions of the company. From July 1998 to January 2000, Ms Yeo was

Presentation Scheduler at ESPN Star Sports where she co-ordinated and ensured compliance of all on-air promo scheduling with in-house rules and regulations along with advertisers' requirements as per the contractual agreements. Ms Yeo obtained her Diploma in Mass Communication from Ngee Ann Polytechnic in 1998. She also holds a Bachelor in Arts from the Royal Melbourne Institute of Technology, which she received in 2000.

Ms Cheung Wai Yee, Emily is our General Manager, Cordlife Hong Kong and is responsible for all functional and business units within Cordlife Hong Kong. Prior to joining our Group in 2005 as Office Manager, Cordlife Hong Kong where she was responsible for the day-to-day operations of the sales, administration and finance functions of Cordlife Hong Kong. She was Consultant to our Company from September 2004 to December 2004 and assisted in identifying and selecting the location for, and the setting up of the office and laboratory with respect to the operations of Cordlife Hong Kong. From 2001 to 2004, Ms Cheung was General Manager at Super Elephant (HK) Ltd. where she oversaw all functions of the company. From 1993 to 2001, she was Office Manager of Kang Li Ltd where she was responsible for overseeing all business activities and administration functions of the company. Ms Cheung obtained her Graduate Certificate in Business Administration and Master of Business Administration from the University of South Australia in 2008 and 2009 respectively.

Ms Thet Hnin Yi is our Financial Controller and is responsible for all areas of financial and accounting functions of our Group including financial reporting, management reporting as well as budgeting. Her job scope also includes supporting the senior management team in their strategic decision making process as well as any pricing, marketing, corporate finance and corporate risk management policies undertaken by them. She also liaises with external auditors in relation to the auditing and accounting matters of our Group. Ms Thet joined our Group in June 2011 pursuant to the demerger of our Company from CBB. Prior to joining CBB in December 2007 as Senior Finance Manager where Ms Thet, *inter alia*, supported the senior management team in their strategic decision making process and corporate risk management of the business, Ms Thet held various positions at Ernst & Young LLP from 2001 to 2007, her last position being Training Manager where she was responsible for providing training to audit assistants and seniors. From 1997 to 2001, she also held various positions at Tan Wee Tin & Co., her last position being Audit Supervisor, where she was responsible for the auditing of small and medium enterprises and multinational companies. Ms Thet obtained her Diploma in Accountancy from Ngee Ann Polytechnic in 1997. She is also a fellow of The Association of Chartered Certified Accountants, United Kingdom, and a non-practising member of the Institute of Certified Public Accountants of Singapore.

As at the Latest Practicable Date, the list of present and past directorships of each Executive Officer over the last five years preceding the Latest Practicable Date is set out below:

Name	Present Directorships	Past Directorships
Ms Gwendolene Yeo Teck Geok	Group Companies None	Group Companies None
	Other Companies None	Other Companies None
Ms Cheung Wai Yee, Emily	Group Companies Cordlife (Hong Kong) Limited Shanghai Cordlife Biomedical Research Co., Ltd	Group Companies None
	Other Companies None	Other Companies None

Name	Present Directorships	Past Directorships
Ms Thet Hnin Yi	Group Companies Shanghai Cordlife Biomedical Research Co., Ltd	Group Companies None
	Other Companies None	Other Companies None

To the best of our knowledge and belief, there are no arrangements or undertakings with any Substantial Shareholders, customers, suppliers or others, pursuant to which any of our Directors and Executive Officers was appointed.

TERMS OF OFFICE

Our Directors do not currently have a fixed term of office. Every Director shall retire from office once every three years and for this purpose, at each annual general meeting, one-third of our Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director shall be eligible for re-election.

Our Directors to retire in every year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment.

EXECUTIVE PROFIT SHARING SCHEME

Our Group has previously entered into various contracts of employment with all of our senior management (including our Executive Officers). Such contracts typically provide for the salaries payable to our senior management (including our Executive Officers), their working hours, annual leave, grounds of termination as well as their entitlements to discretionary bonus.

Pursuant to the terms of our executive profit sharing scheme (the "**Executive Profit Sharing Scheme**"), in the event the profit of our Group (where, "**Profit**" means the unaudited consolidated profit before interest expense, taxation and profit sharing (including gains on exceptional items and extraordinary items but after minority interest of our Group, and shall not include the profits derived from the operations of Guangzhou Tianhe Nuoya) in respect of the relevant financial year exceeds the Profit earned by the group in respect of FY2011 (the "**Profit Increment**"), an amount which is up to 10.0% of such Profit Increment shall be set aside and approved for payment as discretionary bonus to our senior management (including our Executive Officers) as well as our Executive Director and Chief Executive Officer.

Profits in respect of FY2011 would be adopted as the benchmark for determining the Profit Increment. However, as the Executive Profit Sharing Scheme is for a term of three years, our Remuneration Committee would determine whether a new benchmark should be adopted upon the expiration of three years.

The beneficiaries of the Executive Profit Sharing Scheme include our Executive Director and Chief Executive Officer as well as our Executive Officers and such other senior management staff which the Board may from time to time determine. Bonuses to be paid to our senior management pursuant to the Executive Profit Sharing Scheme will be dependent on whether the respective executive has met the key performance indicator which has been determined for him/her by our Group. However, the quantum of such bonus will ultimately be subject to the discretion our Executive Directors and Chief Executive

Officer. The quantum of the bonus of our Executive Director and Chief Executive Officer will be subject to the approval of our Remuneration Committee. The bonus for our other Executive Officers will be determined solely by our Executive Director and Chief Executive Officer.

In computing the Profit Increment in respect of FY2012 for purposes of determining the amount to be set aside for distribution to the beneficiaries of the Executive Profit Sharing Scheme, the listing expenses which will be incurred by our Group will be disregarded and will be added back to such amount of Profit computed in respect of FY2012.

SERVICE AGREEMENT

On 7 March 2012, our Company entered into a service agreement (the "**Service Agreement**") with our Executive Director and Chief Executive Officer, Mr Yee Pinh Jeremy.

The Service Agreement is for an initial period of three years (the "**Initial Term**") commencing with effect from the date of admission of our Company to the Official List of the SGX-ST, subject to automatic renewal for another one-year term on the same terms and conditions upon the expiry thereof. During the Initial Term, the parties may terminate the respective service agreement by either party giving not less than six months' notice in writing to the other. We may also terminate the Service Agreements by notice upon the occurrence of certain events such as serious misconduct, bankruptcy or criminal conviction.

Pursuant to the terms of the Service Agreement, Mr Yee Pinh Jeremy will receive an annual remuneration of S$270,000, including transport allowance. In addition, Mr Yee Pinh Jeremy shall also be entitled to a share of the increment in our profits under the Executive Profit Sharing Scheme. In the event the profit of our Group in respect of the relevant financial year exceeds the Profit earned by our Group in respect of FY2011, a portion of an amount which is up to 10.0% of such Profit Increment shall be set aside to be apportioned and approved for payment amongst our senior management (including our Executive Officers) as well as our Executive Director and Chief Executive Officer, Mr Yee Pinh Jeremy, by our Board and Remuneration Committee. For the avoidance of doubt, this payment also refers to the bonus which Mr Yee Pinh Jeremy shall be entitled to receive pursuant to the Executive Profit Sharing Scheme.

Our Group will also extend to our Executive Director and Chief Executive Officer's insurance, medical and dental benefits in line with our Group's prevailing policy. All entertainment expenses, and travelling, hotel and other out-of-pocket expenses incurred by our Executive Director and Chief Executive Officer in connection with our Group's business will also be borne by our Group.

Under the terms of the Service Agreement, our Executive Director and Chief Executive Officer is subject to certain restrictive covenants as described below. The Executive is also prohibited, during the term of the Service Agreements and its termination thereof, to disclose any information, which he knows or ought to reasonably know to be confidential concerning the business of our Group, so far as the information had come to his knowledge during his appointment with our Company.

Our Executive Director and Chief Executive Officer is prohibited until 24 months after termination of his employment to do, among others, the following:

(a) being directly or indirectly engaged or interested in any capacity in or concerned in the conduct of any other business competing with any business carried on or proposed to be carried on by our Group; and/or

(b) solicit any customer or any person who is or has been during their engagement, a customer of our Group for the purpose of offering to that person goods and services similar to or competing with those of the business conducted by our Group.

Save as disclosed above, there are no other existing or proposed service agreements between our Company or our subsidiaries and any of our Directors or Executive Officers. There are no existing or proposed service agreements entered into or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment without cause.

Had the Service Agreement and the Executive Profit Sharing Scheme been effective on 1 July 2010, there would have been no profits distributed to either our Executive Director and Chief Executive Officer or any of our senior management (which includes our Executive Officers) pursuant to the Executive Profit Sharing Scheme for FY2011 as the Profit Increment is benchmarked against that earned by our Group in respect of FY2011. As such, there would be no Profit Increment recorded for the distributed to be based upon.

ARRANGEMENTS WITH OUR MEDICAL DIRECTORS

We have previously entered into separate confidentiality, non-competition, non-disclosure and proprietary agreements (the "**Medical Agreements**") with each of our medical directors, Dr Chiew Yoke Fong and Dr Teo Gek Choo Jennifer on 15 September 2011 and 10 January 2012 respectively.

The Medical Agreements are for a period of two years and cover the terms of employment and specifically, the salaries and responsibilities of the medical directors. Please refer to the section titled "History and Business — Medical Directors" of this Prospectus for further details on the responsibilities of our medical directors. In addition, our medical directors also agree to keep classified all confidential information that they may come across during the course of their engagement with our Group, pursuant to the terms and conditions of the Medical Agreements.

In addition, our medical directors are also, unless prior consent of our Company had been obtained, prohibited both during the course of their engagement and until two years after the cessation of their engagement to:

(a) be concerned with, engage or have any interest in any business which is in direct competition with any business carried out by our Group unless expressly released from this restriction by our Company in writing;

(b) solicit any customer or any person who is or has been during their engagement, a customer of our Group for the purpose of offering to that person goods and services similar to or competing with those of the business conducted by our Group; and

(c) cause or permit an person directly or indirectly under its control to do any of the acts specified in the abovementioned paragraphs (a) and (b).

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The compensation paid or payable to each of our Directors and Executive Officers for services rendered to us in all capacities for the financial years ended 30 June 2010, 2011 and 2012 (estimated), in bands of S$250,000 per annum, were or are as follows:

	FY2010	FY2011	FY2012 (estimated)(2)
Directors(1)			
Dr Ho Choon Hou	A(3)	A(4)	A
Mr Yee Pinh Jeremy	B(5)	B(5)	B
Ms Jin Lu	A(3)	A(3)	A
Mr Ho Sheng	—(6)	—(6)	A
Dr Goh Jin Hian	—(6)	—(6)	A
Mr Ng Tiak Soon	—(6)	—(6)	A
Executive Officers(1)			
Ms Gwendolene Yeo Teck Geok	A	A	A
Ms Cheung Wai Yee, Emily	A	A	A
Ms Thet Hnin Yi	A(5)	A(5)	A

Notes:

(1) Band A: Compensation from S$0 to S$250,000 per annum.
Band B: Compensation of between S$250,001 to S$500,000 per annum.

(2) For the purposes of this estimation, compensation includes the bonus or benefits in kind that our Executive Directors and Executive Officers are entitled to pursuant to the Service Agreement and the Executive Profit Sharing Scheme. Please refer to the sections titled "Directors, Management and Staff — Executive Profit Sharing Scheme" and "Directors, Management and Staff — Service Agreement" of this Prospectus, for further details on the Service Agreement and the Executive Profit Sharing Scheme.

(3) Prior to the demerger of our Company from CBB, the employment contracts in respect of certain of our Directors were with Cordlife Services (S) Pte. Ltd. ("**Cordlife Services**"). In this regard, the remuneration was accordingly paid by Cordlife Services to the respective Director in respect of the respective financial year.

(4) In respect of FY2011, the remuneration paid to Dr Ho Choon Hou was partially paid by Cordlife Services and partially paid by our Company. The partial payment by Cordlife Services was due to the fact that Dr Ho Choon Hou had contracted with Cordlife Services for a part of FY2011 and his remuneration as therefore partially paid by Cordlife Services accordingly.

(5) As the relevant employee had entered into an employment contract with one of the entities within the CBB Group previously, the remuneration was paid by the CBB Group to the employee in respect of this relevant financial year. Subsequent to the demerger of our Company from CBB, the employment contracts in respect of the relevant employees were accordingly novated to our Company.

(6) Not appointed or employed by our Group during this period.

We have not set aside or accrued any amounts for the provision of any pension, retirement or similar benefits for the Periods Under Review.

The compensation paid to each of our Directors and Executive Officers for each financial year will be disclosed in bands in our annual report.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders.

Board Practices

Our Directors do not currently have a fixed term of office. All Directors are required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years. A retiring Director shall be eligible for re-election. Our Directors to retire in each year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment.

Pursuant to the Code of Corporate Governance issued by the Committee on Corporate Governance (as from time to time amended, modified or supplemented) (the "**Code of Corporate Governance**"), the chairman of the directors and the chief executive officer or managing director of a company should be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the board of director for independent decision-making.

Audit Committee

Our Audit Committee comprises Mr Ng Tiak Soon, Dr Ho Choon Hou and Mr Ho Sheng. The Chairman of our Audit Committee is Mr Ng Tiak Soon.

Our Audit Committee shall meet periodically to perform the following functions:

(a) review with the external auditors the audit plan, scope of work, their evaluation of the system of internal accounting controls, their management letter and our management's response, and results of our audits conducted by our internal and external auditors;

(b) review the half-yearly and annual, and quarterly, if applicable, financial statements and results announcements before submission to our 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;

(c) review the effectiveness and adequacies of our internal control and procedures, including accounting and financial controls and procedures and ensure co-ordination between the external auditors and our management, reviewing the assistance given by our management to the auditors, and discuss 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 our management where necessary) and if necessary, appoint a suitable accounting firm as internal auditor for our Group;

(d) reviewing all transactions in connection with the commissions paid (i) between the CBB Group and our Group and (ii) between our Group and China Cord Blood as set out in the section titled "Interested Person Transactions — Review Procedures for On-going and Future Interested Person Transactions" of this Prospectus, on a quarterly basis to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of our Shareholders;

(e) reviewing all reports, registers and tabulation reports on a quarterly basis, as described in the sections titled "Interested Person Transactions — On-going Transactions — Cordlife Stem Cell Technology Co-operation Agreement between Cordlife Stem Cell and our Company", "Interested

Person Transactions — On-going Transactions — Co-operation Agreement between CBB and our Company", "Interested Person Transactions — On-going Transactions — Collection Payments between the CBB Group and our Group" and "Interested Person Transactions — On-going Transactions — Marketing Collaboration Agreement between Cordlife Hong Kong and China Cord Blood" of this Prospectus, to ensure that the procedures in respect of which payments are collected and commission payments are made, are in accordance with the internal control measures which our Group has adopted;

(f) review and discuss 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 our Company's operating results or financial position, and our management's response;

(g) commissioning of an internal control and accounting systems audit until such time our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses;

(h) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

(i) review the appointments of, and remuneration of persons (upon appointment and upon renewal of their respective service contracts), occupying managerial positions who are related to our Directors or our Controlling Shareholders;

(j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual (if any);

(k) review any potential conflicts of interest;

(l) review the adequacy of potential business risk management processes;

(m) review and approve all hedging policies and instruments (if any) to be implemented by our Group;

(n) undertake such other reviews and projects as may be requested by our Board of Directors and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;

(o) review and establish procedures for receipt, retention and treatment of complaints received by our Group, among others, criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group; and

(p) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Our Audit Committee will meet, at a minimum, on a quarterly basis. Apart from the duties listed above, our Audit Committee shall commission and 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 our Group's operating results and/or financial position. Each member of our Audit Committee shall abstain from reviewing any particular transaction or voting on such resolution in respect of which he is or may be interested in.

Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

Adequacy of Internal Controls

Microsoft Excel-based spreadsheets are currently being used for the purposes of calculating monthly revenue recognition adjustments ("**Excel-based Revenue Recognition System**"). In order to enhance its current accounting system, our Company is in the midst of implementing a New Automated Reconciliation System ("**NARS**") to replace the Excel-based Revenue Recognition System. Our Company expects to complete the development and implementation of NARS by 30 December 2012.

A Project Management Team ("**PMT**") comprising an external Information Technology ("**IT**") consultant, our Company's IT, operation and finance personnel as well as the Financial Controller ("**FC**") will be set up to execute the implementation of the NARS. The FC will be the leader of the PMT and will take full charge of the implementation process.

In addition, a Steering Committee ("**SC**") comprising our Executive Director and Chief Executive Officer, FC, chairman of our Audit Committee and a representative from PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") will be set up to monitor the implementation progress of the NARS. Our Executive Director and Chief Executive Officer will be the chairman of the SC. The key functions of the SC are as follows:

(a) ensuring the implementation timeline is adhered to;

(b) making decisions that are relevant for the implementation of the NARS;

(c) monitoring of implementation costs;

(d) monitoring the status of implementation and appoint other relevant parties/vendors where necessary; and

(e) appointing an IT risk auditor to test the NARS and review the findings of the IT risk auditor.

The SC will meet once a month where the PMT will update the SC on the status of the implementation and explain any variances in the implementation schedule. Proper sign-off will be recorded in relation to the implementation and the reasons for any variances will be documented. On a quarterly basis, our Company will disclose the status of implementation of the NARS in its announcements via SGXNET. PPCF undertakes to ensure the completion of the NARS implementation by 30 December 2012 and the Company would be able to operate its revenue recognition function using NARS with effect from 1 January 2013. Our Company is fully responsible for the overall revenue recognition system including the NARS. In addition, our Audit Committee would review and monitor our Company's implementation of proposals to address the issues raised in the management letter by Ernst & Young LLP for the financial year ended 30 June 2011, including the effectiveness of the NARS for the purpose of revenue recognition and monitoring the implementation to ensure that the timeline of 30 December 2012 will be met.

Having considered the following factors, our Audit Committee is of the view that our Company's state of internal controls, in particular in relation to its accounting system, is adequate to ensure accurate and timely financial reporting.

(a) Our Audit Committee had a discussion with the management and the auditors on the observations of the auditors in the Management Letter where the AC questioned management on these observations. Our Audit Committee was satisfied with the management's responses during the discussion;

(b) The recommendation from Ernst & Young LLP, our Company's Independent Auditors and Reporting Accountants ("**E&Y**") to automate its Excel-based Revenue Recognition System was to enhance our Company's efficiency, and not because it was a material control weakness;

(c) No material inaccuracies were detected by E&Y after having performed tests on the Excel-based Revenue Recognition System;

(d) Confirmation from E&Y that they have not come across any material internal control weakness in the course of its audit; and

(e) Financial statements of our Company for FY2009 to FY2011 have not been qualified in any manner.

Having considered the following factors, PPCF is of the view that our Company's state of internal controls, in particular in relation to its accounting system is adequate to ensure accurate and timely financial reporting.

(a) Adequate safeguards have been put in place by our Company to ensure proper checks and balances and segregation of duties in implementing the Excel-based Revenue Recognition System;

(b) No material inaccuracies were detected by E&Y after having performed tests on the Excel-based Revenue Recognition System;

(c) Acknowledgement by E&Y that our Company has been able to discharge its financial function satisfactorily with its Excel-based Revenue Recognition System;

(d) Our Company had consistently met the timeline for financial reporting with the Excel-based Revenue Recognition System to its then parent company, CBB, in compliance with the financial reporting timelines as prescribed by the Australian Securities Exchange;

(e) Confirmation from E&Y that they have not come across any material internal control weakness in the course of its audit;

(f) Financial statements of our Company for FY2009 to FY2011 have not been qualified in any manner; and

(g) Our Audit Committee's opinion in relation to the state of our Company's internal controls.

Our Board of Directors with the concurrence of our Audit Committee is of the opinion that at the time of listing, our Company will have sufficient internal controls in place, which adequately addresses the financial, operational and compliance risks of our Company.

Suitability of our Financial Controller

Our Audit Committee has reviewed Ms Thet Hnin Yi's curriculum vitae and had also interviewed Ms Thet Hnin Yi. Our Audit Committee noted that Ms Thet Hnin Yi holds a Diploma in Accountancy from Ngee Ann Polytechnic. She is also a fellow of the Association of Chartered Certified Accountants, United Kingdom, and a non-practising member of the Institute of Certified Public Accountants of Singapore. Our Audit Committee also noted that Ms Thet Hnin Yi has more than 13 years of relevant experience in accounting, auditing and corporate finance. Ms Thet Hnin Yi has worked for our Group since June 2011 and was previously Senior Finance Manager of CBB from December 2007 to June

2011 prior to our demerger from CBB on 30 June 2011, and by virtue of our Company being a wholly-owned subsidiary of CBB prior to the demerger, Ms Thet Hnin Yi is familiar with the finance matters and operations of our Group and there will be continuity in our Group's finance department. Our Audit Committee has also made reasonable enquiries into Ms Thet Hnin Yi's past working experiences and the reasons for her departure from the past companies.

In the course of preparing for the listing of our Company on the Main Board of the SGX-ST, our Audit Committee has observed and noted Ms Thet Hnin Yi's contributions at various occasions, discussions and meetings. In the course of such interactions, our Audit Committee is of the view that Ms Thet Hnin Yi has demonstrated a strong and clear understanding of our Group's businesses and familiarity with the finance and accounting functions of our Group, and our Audit Committee has not been made aware of any other matter that would question Ms Thet Hnin Yi's suitability for the position of Financial Controller.

Having considered the above, and the qualifications and past working experiences of Ms Thet Hnin Yi, our Audit Committee is of the view that Ms Thet Hnin Yi is suitable for the position of Financial Controller of our Group.

After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit Committee, nothing has come to the attention of the members of our Audit Committee to cause them to believe that Ms Thet Hnin Yi, who is appointed as Financial Controller, does not have the competence, character, integrity expected of a financial controller (or its equivalent rank) of a listed issuer.

In addition, Ms Thet Hnin Yi had on 4 October 2011, attended a course organised by the Singapore Institute of Directors to familiarise herself with the roles and responsibilities of a financial controller of a listed company.

Remuneration Committee

Our Remuneration Committee comprises Dr Goh Jin Hian, Mr Ng Tiak Soon and Ms Jin Lu. The Chairman of our Remuneration Committee is Dr Goh Jin Hian.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Financial Controller, determine specific remuneration packages for each Executive Director and our Financial Controller. The quantum of the bonus of our Executive Director and Chief Executive Officer will be subject to the approval of our Remuneration Committee. The bonus for our other Executive Officers will be determined solely by our Executive Director and Chief Executive Officer.

The recommendations of our Remuneration Committee shall be submitted for endorsement by our entire Board. All aspects of remuneration, including but not limited to our Directors' and Financial Controller's salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee. Our Remuneration Committee shall also review the remuneration of senior management and employees related to our Directors. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Nominating Committee

Our Nominating Committee comprises Mr Ho Sheng, Dr Goh Jin Hian and Mr Yee Pinh Jeremy. The Chairman of our Nominating Committee is Mr Ho Sheng.

Our Nominating Committee will be responsible for:

(a) re-nomination of our Directors having regard to our Directors' contribution and performance;

(b) determining annually whether or not a Director is independent;

(c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; and

(d) reviewing and approving any new employment of related persons and the proposed terms of their employment.

Our Nominating Committee will decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which will address how our Board plans to enhance long-term shareholders' value. The performance evaluation will also include consideration of our Share price performance over a five-year period vis-à-vis the Singapore Straits Times Index and a benchmark index of its industry peers. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director towards the effectiveness of our Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

In general, transactions between our Group and any of our interested persons (namely, our Directors, Chief Executive Officer of our Company or Controlling Shareholders or the Associates of such Directors, Chief Executive Officer or Controlling Shareholders) ("**interested persons**" and each, an "**interested person**") would constitute interested persons transactions for the purposes of Chapter 9 of the Listing Manual.

Certain terms such as "associate", "control", "controlling shareholder", and "interested person" used in this section shall have the meanings as provided in the Listing Manual and in the Securities and Futures Regulations, unless the context specifically requires the application of the definitions in one or the other as the case may be.

As part of the Restructuring Exercise undertaken prior to this Invitation, the "A" Preference Share was issued and allotted to CBB, thus allowing it to reverse the effect of the capital reduction that was completed on 30 June 2011 by giving it the option, as set out in our Articles of Association, to acquire all our issued Shares should this Invitation not proceed by 31 March 2012. By virtue of its interest through the "A" Preference Share, CBB would be considered a "controlling shareholder" as long as, and until such time, the option to acquire all our issued Shares lapses. Accordingly, all past and current transactions between the CBB Group and our Group would be considered "interested person transactions".

The option to acquire all our issued Shares will only be exercisable after 31 March 2012 if our listing does not occur by then and will lapse upon our listing on the Main Board of the SGX-ST. In this regard, upon the lapse of the "A" Preference Shares, CBB would cease being our "controlling shareholder" and accordingly, transactions between our Group and the CBB Group that would continue following our listing on the Main Board of the SGX-ST will not constitute "interested person transactions".

The following discussion sets out the past, present and ongoing transactions between our Group and interested persons that are material in the context of the Invitation in FY2009, FY2010, FY2011 and the period from 1 July 2011 up to the Latest Practicable Date.

Save as disclosed below, none of our interested persons was or is interested in any transaction undertaken by our Group which is material in the context of the Invitation within FY2009, FY2010, FY2011 and the period from 1 July 2011 up to the Latest Practicable Date.

PAST INTERESTED PERSON TRANSACTIONS

(1) Acquisition of Cordlife Hong Kong and CLS Services

Pursuant to an agreement for the sale of shares dated 23 September 2010 entered into between CBB and our Company, CBB transferred 71,594,000 issued and fully paid shares (the "**Cordlife Hong Kong Shares**") in the capital of Cordlife Hong Kong, representing its entire shareholding interest in Cordlife Hong Kong, to our Company for a cash consideration of HK$23,540,254. The acquisition was necessary in view of the internal restructuring that was undertaken by the then-CBB Group before the demerger. As the purchase consideration paid by our Company in respect of the acquisition was the cost price which CBB had acquired the Cordlife Hong Kong Shares for previously, the transaction was not conducted on an arm's length basis.

Pursuant to an agreement for the sale of shares dated 25 September 2010 entered into between CBB and our Company, CBB transferred 97,251,543 issued and fully paid shares in the capital of CLS Services (the "**CLS Shares**"), representing its entire shareholding interest in CLS Services, to our Company for a cash consideration of S$101,699. The acquisition was necessary in view of the internal restructuring that was undertaken by the then-CBB Group before the demerger. As the purchase consideration paid by our Company in respect of the acquisition was the cost price at which CBB had acquired the CLS Shares for previously, the transaction was not conducted on an arm's length basis.

(2) Disposal of Cordlife International and Cordlife Australia

Pursuant to an agreement for the sale of shares dated 25 September 2010 entered into between our Company and Cordlife Services, a wholly-owned subsidiary of CBB, our Company transferred 19,999,980 issued and fully paid shares in the capital of Cordlife International Pte. Ltd., a subsidiary of CBB ("**Cordlife International**"), representing its entire shareholding interest in Cordlife International, to Cordlife Services for a cash consideration of S$199,998. The disposal was necessary in view of the internal restructuring that was undertaken by the previously existing CBB Group. As the purchase consideration paid by Cordlife Services in respect of the disposal was the cost price at which CBB had acquired Cordlife International for previously, the transaction was not conducted on an arm's length basis.

Pursuant to an agreement for the sale of shares dated 25 September 2010 entered into between our Company and Cordlife Services, a wholly-owned subsidiary of CBB, our Company transferred 12 issued and fully paid shares in the capital of Cordlife (Australia) Pty Ltd, a subsidiary of CBB ("**Cordlife Australia**"), representing its entire shareholding interest in Cordlife Australia, to Cordlife Services for a cash consideration of A$12. As the purchase consideration paid by Cordlife Services in respect of the disposal was the cost price at which CBB had acquired Cordlife Australia for previously, the transaction was not conducted on an arm's length basis.

(3) Acquisition of China Stem Cells (South) Company Limited

Pursuant to an agreement for the sale of shares dated 23 September 2010 entered into between Cordlife Services and Cordlife Hong Kong, Cordlife Services transferred 100 issued and fully paid shares (the "**China Stem Cells Shares**") in the capital of China Stem Cells (South) Company Limited, representing its entire shareholding interest in China Stem Cells (South) Company Limited, to Cordlife Hong Kong for a cash consideration of US$10.0 million. The consideration was determined based on the costs of Cordlife Services' cost of investment in China Stem Cells previously, of US$10.0 million. This acquisition of China Stem Cells (South) Company Limited was recorded in our financial statement as approximately S$13.9 million after the exchange rate translation. The acquisition was necessary in view of the internal restructuring that was undertaken by the then-CBB Group before the demerger. As the purchase consideration paid by Cordlife Hong Kong in respect of the acquisition was the cost price at which Cordlife Services had acquired the China Stem Cells Shares for previously, the transaction was not conducted on an arm's length basis.

PRESENT INTERESTED PERSON TRANSACTIONS WHICH WOULD CEASE PRIOR TO OR UPON OUR LISTING ON THE MAIN BOARD OF THE SGX-ST

As described above, CBB was issued and allotted the "A" Preference Share, which has an option to acquire all our issued Shares should this Invitation not proceed by 31 March 2012. By virtue of its interest through the "A" Preference Share, CBB would be considered a "controlling shareholder" as long as, and until such time, the option to acquire all our issued Shares lapses.

These transactions set out below were entered into between the CBB Group and our Group prior to the demerger of our Company from the CBB Group when we were a subsidiary of CBB. We had ceased some of these transactions and we will cease the rest of the other transactions upon our listing on the

Main Board of the SGX-ST. Accordingly, these transactions would not be subject to the review procedures as set out in the section titled "Interested Person Transactions — Review Procedures for On-going and Future Interested Person Transactions" of this Prospectus.

(1) Provision of Service Agreement between CBB and our Company

Our Group had from time to time provided certain resources to the CBB Group, including accounting and management staff as well as the rental of office premises (the "**CS Recharged Services**"). Similarly, the CBB Group had also from time to time provided certain resources to our Group, including accounting, procurement, quality control, human resource and marketing staff as well as information technology services (the "**CBB Recharged Services**"). Thereafter, the costs incurred in respect of the CS Recharged Services and the CBB Recharged Services are then respectively recharged back to the CBB Group or our Group on a monthly basis.

Pursuant to our demerger from CBB, we had on 30 June 2011, entered into the Provision of Service Agreement with CBB to formalise the transactions in respect of the CBB Recharged Services. Pursuant to the terms of this agreement, CBB agrees to provide consulting services that our Company may from time to time require, principally in the areas of quality assurance and information technology, and the scope of such services may expand to include further services that our Company may in future require. The type of information technology services provided by the CBB Group included development of software programmes for data analysis on a project basis and the instances whereby the CBB Group had provided quality assurance services included information on compliance with AABB standards. The payment by our Company to the CBB Group in consideration for its provision of such services is computed based on the man-hour rate of the relevant employee in question.

The following table sets out the aggregate costs in respect of the CS Recharged Services paid by the CBB Group to our Group for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate costs in respect of CS Recharged Services paid by the CBB Group	92	148	218	104

The following table sets out the aggregate costs in respect of the CBB Recharged Services paid by our Group to the CBB Group for FY2009, FY2010, FY2011 and the aggregate costs paid in respect of the Provision of Service Agreement for the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate costs in respect of the CBB Recharged Services paid by our Group	1,750	2,419	1,033	113

In respect of FY2009, the recharged staff costs, which form a component of both the CS Recharged Costs and the CBB Recharged Costs, were computed based on the actual man hour rate incurred by either our Group or the CBB Group in utilising the employee in question (the

"**Man-Hour Rate**"), for the provision of such recharged staff services. As such, these transactions were not conducted on an arms' length basis.

In respect of FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date, such recharged staff costs were computed based on the Man-Hour Rate with the addition of a 10.0% margin. The 10.0% margin was added to address potential transfer pricing issues in the various jurisdictions. Such transactions were not conducted on an arms' length basis.

As our Group was part of the CBB Group prior to the demerger, it was logical and beneficial to share resources between both entities in this way. As such, our Directors are of the view that the cessation of such arrangements will not affect the operations of our Company. On 1 January 2012, we ceased all transactions in respect of the recharged staff services. Moving forward, our Group will hire its own staff or engage third party contractors, if necessary, to provide such services. On 1 January 2012, we also ceased the transaction in respect of the rental of office premises by the CBB Group which forms a component of the CS Recharged Services.

(2) Reimbursement costs between the CBB Group and our Group

Our Group had from time to time made salary payments, on behalf of the CBB Group (the "**CS Salary Payments**") as our Group was part of the CBB Group prior to the demerger. The transactions in respect of the CS Salary Payments had ceased from October 2011. In addition, our Group had also from time to time made payments, on behalf of the CBB Group in respect of any ancillary disbursements that may arise from the provision of the CS Recharged Services, which include expenses related to air ticket, accommodation, mobile phone usage, taxi fare and food and beverage (collectively, the "**CS Ancillary Expenses**", and together with the CS Salary Payments, the "**CS Reimbursement Costs**"). The transactions in respect of the CS Ancillary Expenses ceased on 1 January 2012.

Similarly the CBB Group had also from time to time, made payments on behalf of our Group in respect of fixed assets and certain travelling expenses that we may incur in the course of our business dealings (the "**CBB Payments**"). An example of such travelling expenses would include the CBB Group making air tickets payments on behalf of our Group for certain vendors. The transactions in respect of the CBB Payments ceased on 1 January 2012. In addition, the CBB Group had also from time to time made payments, on behalf of our Group in respect of any ancillary disbursements that may arise from the provision of the CBB Recharged Services which include expenses related to air ticket, accommodation, mobile phone usage, taxi fare and food and beverage (collectively, the "**CBB Ancillary Expenses**", and together with the CBB Payments, the "**CBB Reimbursement Costs**"). The transactions in respect of the CBB Ancillary Expenses ceased on 1 January 2012. The Directors are of the view that the cessation of such arrangements will not materially affect the financial performance of our Company.

Thereafter, the CS Reimbursement Costs which have been incurred by the CBB Group and the CBB Reimbursement Costs which have been incurred by our Group would be respectively charged back to the other party and computed based on the actual costs by each of the CBB Group and our Group, subsequent to which both the CBB Group and our Group would be reimbursed such costs on an annual basis. As our Group was part of the CBB Group prior to the demerger, such arrangements where payments were made on behalf of between both entities were undertaken to facilitate ease of accounting settlements.

The following table sets out the aggregate CS Reimbursement Costs paid by our Group on behalf of the CBB Group for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate CS Reimbursement Costs paid by our Group on behalf of the CBB Group	3,381	5,204	5,011	906

The following table sets out the CBB Reimbursement Costs paid by the CBB Group on behalf of the our Group for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate CBB Reimbursement Costs paid by the CBB Group on behalf of our Group	949	528	412	119

In respect of FY2009, FY2010 and FY2011 as well as the period commencing 1 July 2011 to the Latest Practicable Date, the CS Reimbursement Costs and the CBB Reimbursement Costs were computed based on the actual costs incurred by each of our Group and the CBB Group respectively. In this regard, such transactions were not conducted on an arms' length basis.

(3) Sale of consumables to the CBB Group

Prior to the demerger of our Company from CBB, we had from time to time sold consumables to the CBB Group. The rationale and the objective of this arrangement were to fully utilise CBB Group's resources among its subsidiaries, which includes our Company, in an effective manner. We had ceased such transactions on 1 January 2012. The Directors are of the view that the cessation of such arrangements will not materially affect the financial position of our Company going forward.

The following table sets out the aggregate cost charged to the CBB Group for the sale of such consumables for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate cost charged to CBB Group for sale of consumables	64	68	169	63

In respect of FY2009, FY2010 and FY2011, the aggregate cost charged to the CBB Group for the sale of such consumables was based on the actual costs incurred by our Company. Such transactions were not conducted on an arms' length basis.

In respect of the period from 1 July 2011 to the Latest Practicable Date, the aggregate cost charged to the CBB Group for the sale of such consumables was based on the actual costs incurred by our Company with the addition of a 10.0% margin. Such arrangement is on an arm's length basis as our Group would have charged similar margins if similar transactions had been conducted with other third party entities. In addition, such arrangement is on normal commercial terms and the quantum of the additional margin chargeable is both fair and reasonable and is arrived at after negotiations between the management of CBB and our Company. Accordingly, our Directors believe that such arrangement is on an arm's length basis.

ON-GOING TRANSACTIONS

As described above, the option by CBB pursuant to the "A" Preference Share to acquire all our issued Shares will lapse upon our listing on the Main Board of the SGX-ST. Accordingly, CBB would cease being our "controlling shareholder" and transactions between the CBB Group and our Group as set out below will not constitute "interested person transactions". However, the relevant disclosures below in respect of on-going transactions between the CBB Group and our Group are made on a voluntary basis. In addition, notwithstanding China Cord Blood is not our "controlling shareholder" immediately after this Invitation and the exercise of the CBB Option, we have also voluntarily disclosed the marketing collaboration agreement between Cordlife Hong Kong and China Cord Blood below.

Upon our listing on the Main Board of the SGX-ST, our Audit Committee will review all transactions in connection with the commissions paid and the collection payments (i) between the CBB Group and our Group and (ii) between our Group and China Cord Blood as set out in the section titled "Interested Person Transactions — Review Procedures for On-going and Future Interested Person Transactions" of this Prospectus, on a quarterly basis to ensure that they are, where relevant, carried out on normal commercial terms and are not prejudicial to the interests of our Shareholders and that they are carried out in accordance with the internal control measures which our Group has adopted as described in the corresponding sections of this Prospectus and in accordance with the terms as set out in the respective agreements to the extent that such agreements are not terminated and that the terms of such agreements remain commercially beneficial to our Group.

(1) Cordlife Stem Cell Technology Co-operation Agreement between Cordlife Stem Cell and our Company

Pursuant to our demerger from CBB, we had on 30 June 2011 entered into the Cordlife Stem Cell Technology Co-operation Agreement, whereby our Group will together with Cordlife Stem Cell market and sell umbilical cord tissue banking services for a period of 18 months from the date of the agreement.

Pursuant to the Cordlife Stem Cell Technology Co-operation Agreement, the CBB Group had from time to time paid commission, which amounts to 70.0% of the total fees paid by the customers to the CBB Group, to our Group. These commission were paid to our Group for the umbilical cord tissue banking services which includes the marketing and selling of umbilical cord tissue banking services as well as the processing and storage of umbilical cord tissue by our Group, on behalf of the CBB Group. This is consistent with our Group's strategies to diversify into secondary and complementary services. The commission payable by CBB Group is based on a fixed percentage of the fees paid by the customers for the provision of such services, with such fees being fixed at standardised rates in accordance with the tenures the customers choose to store the cord tissue. In this respect, customers may choose to store their child's umbilical cord tissue for a tenure of either five years, ten years or 18 years. Irrespective of the tenure chosen, the full lump-sum amount for the provision of the umbilical cord tissue banking service is collected upfront from the customer and accordingly, the CBB Group makes payment of 70.0% of the total fees to our Group. These commissions payable by the CBB Group accrue on a monthly basis and are paid to our Group on a quarterly basis.

The following table sets out the aggregate amounts of commission paid by the CBB Group to our Group in respect of the umbilical cord tissue banking services for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate amounts of commission paid by the CBB Group to our Group	—	—	213	604

The rate of commission payable by the CBB Group that has been charged since prior to the demerger of our Company from CBB was proposed and agreed upon between the management of CBB and our Company in view of the demerger that occurred on 30 June 2011 and determined based on, *inter alia*, the actual costs that may be incurred by our Group for providing the umbilical cord tissue banking services and the margin that our Group charges for the provision of the umbilical cord tissue banking services. This rate of commission was reviewed again by the management of both respective entities post-demerger of our Company taking into consideration the aforementioned factors. Accordingly, our Directors are of the view that the transactions were on normal commercial terms and on an arm's length basis. The transactions are not prejudicial to the interests of our Group and our minority Shareholders.

Pursuant to the Cordlife Stem Cell Technology Co-operation Agreement, we were granted the rights to use certain technology and expertise with respect to umbilical cord tissue banking. In this regard, the continuance of this arrangement post listing of our Company on the Main Board of the SGX-ST is necessary as our Group would not otherwise be able to have the rights to utilise such technology and expertise for the provision of umbilical cord tissue banking services.

Our Group also has in place internal control measures to monitor the commissions that are payable by the CBB Group pursuant to this arrangement, and this includes the preparation of detailed quarterly reports as described in the section titled "Interested Person Transactions — Ongoing Transactions — Collection payments between the CBB Group and our Group" of this Prospectus. Moving forward, our Group will in addition to the aforementioned procedures, maintain a register of such transactions. The register will detail each customer contract entered into, the commission paid pursuant to each customer contract as well as the aggregate amount to be remitted to the CBB Group. This register, together with the aforementioned reports will be presented to our Audit Committee for review on a quarterly basis. Furthermore, our management will also be responsible for reporting to our Audit Committee any transaction whereby the amount of commission collected is less than 70.0% of the fees paid by the customer. Our management will also provide all necessary information required by our Audit Committee to facilitate its review process.

(2) Co-operation Agreement between CBB and our Company

Pursuant to our demerger from CBB, we had on 30 June 2011, entered into the Co-operation Agreement whereby, our Company will market and sell Cord Blood Banking Services on behalf of the CBB Group to any of our customers who wishes to store the cord blood units in Indonesia, India and the Philippines for a period of three years from 30 June 2011 in relation to Indonesia and the Philippines and for a period of five years from 30 June 2011 in relation to India. Similarly, the CBB Group will market and sell Cord Blood Banking Services on behalf of our Group to any of its customers who wishes to store the cord blood units in Singapore and Hong Kong for a period of three years from 30 June 2011.

As described in the following paragraphs, the rates of commission payable by (i) the CBB Group to our Group and (ii) our Group to the CBB Group, in respect of the aforementioned arrangements are 40.0% and 50.0%, of the first instalment payable by customers under the prevailing annual plan, in respect of the periods of pre and post-demerger of our Company from CBB, respectively. For further details on the aggregate commissions that were paid by (i) the CBB Group to our Group and (ii) our Group to the CBB Group, for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date, please refer to the following paragraphs.

Client Referral Commission paid by our Group to the CBB Group

Our Group had from time to time paid commission to the CBB Group for client referrals by the CBB Group for the benefit of our Group. This would include the situation whereby the CBB Group refers customers (residing in Indonesia, India or the Philippines and previously in Thailand) who wish to store their child's cord blood in Singapore or Hong Kong, to our Group. The rates of commission payable by our Group to the CBB Group for the periods of pre and post-demerger of our Company from CBB are 40.0% and 50.0%, of the first instalment payable by customers under the prevailing annual plan, respectively and all revenue derived from subsequent instalment payments would be attributed directly to our Company.

Pursuant to our demerger from CBB, we had on 30 June 2011, entered into the Co-operation Agreement, to formalise the arrangement in respect of customers residing in Indonesia, India and the Philippines. These commissions accrue on a monthly basis and are paid by our Group to the CBB Group on a quarterly basis.

The following table sets out the aggregate amounts of commission paid by our Group to the CBB Group for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	**FY2009**	**FY2010**	**FY2011**	**1 July 2011 to the Latest Practicable Date**
Aggregate amounts of commission paid by our Group to the CBB Group	404	466	538	466

The rate of commission payable by our Group post-demerger of our Company from CBB was determined based on, *inter alia*, the time and costs expended by the CBB Group in the referral process and the net profit margin that the CBB Group would earn from these referred customers.

In addition, the amounts of commissions paid by our Group to the CBB Group were based on a percentage of the payments made by the relevant customers and arrived at after negotiations between the management of CBB and our Company. Similar rates of commissions would also be applicable if similar transactions were carried out with unrelated third parties. Accordingly, our Directors are of the view that the transactions were on normal commercial terms and on an arm's length basis. The transactions are not prejudicial to the interests of our Group and our minority Shareholders.

In respect of the period prior to the demerger of our Company from CBB, the rate of commission paid by our Group to the CBB Group was 40.0% of the first instalment payable by customers under the prevailing annual plan. The transactions in respect of this period were not conducted on an arms' length basis.

The continuance of this arrangement is necessary as it would allow our Group access to customers via the CBB Group, which we may not otherwise have access to, which would in turn be beneficial to our business operations. As such, our Group has, as mentioned above, entered into the Co-operation Agreement for the purposes of formalising the continuance of such arrangement subsequent to our listing on the Main Board of the SGX-ST. Our Group also has in place internal control measures to monitor the commissions that are payable by our Group to the CBB Group pursuant to this arrangement and this includes the preparation of detailed quarterly reports as described in the section titled "Interested Person Transactions — Ongoing Transactions — Collection payments between the CBB Group and our Group" of this Prospectus. Moving forward, our Group will in addition to the aforementioned procedures, maintain a register of such transactions. The register will detail each customer contract entered into, the first instalment amount paid by such customers as well as the commission paid pursuant to each customer contract. This register, together with the aforementioned reports will be presented to our Audit Committee for review on a quarterly basis. Furthermore, the management will also be responsible for reporting and explaining to our Audit Committee any transaction whereby the amount of commission paid is more than 50.0% of the first instalment payment by the customer, under the prevailing annual plan. Our management will also provide for our Audit Committee's review, a tabulation of the cumulative amounts of commission that are payable to the CBB Group every quarter. Should any of such sums exceed S$210,000 per quarter, approval is required to be obtained from the Chief Executive Officer and one member of our Audit Committee before the commission may be paid out to the CBB Group.

Client Referral Commission paid by the CBB Group to our Group

Our Group is entitled to receive commission from the CBB Group for client referrals by our Group for the benefit of the CBB Group. This would include the situation whereby our Group refers customers (residing in Singapore or Hong Kong) who wish to store their cord blood in Indonesia, India or the Philippines, to the CBB Group.

Pursuant to our demerger from CBB, we had on 30 June 2011, entered into the Co-operation Agreement, to formalise this arrangement. The rates of commission payable by the CBB Group to our Group for the periods of pre and post-demerger of our Company from CBB are 40.0% and 50.0%, of the first instalment payable by customers under the prevailing annual plan, respectively. These commissions are also accrued on a monthly basis and payable by the CBB Group to our Group on a quarterly basis.

The aggregate amounts of commission paid by the CBB Group to our Group in respect of such client referral commissions for each of FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date is nil.

The rate of commission agreed upon between our Group and the CBB Group post-demerger of our Company from CBB was determined based on, *inter alia*, the time and costs expended by the our Group in the referral process and the net profit margin that our Group would earn from these referred customers.

In addition, the amounts of commissions agreed upon between the CBB Group and our Group are based on a percentage of the payments made by the relevant customers and arrived at after negotiations between the management of CBB and our Company. Similar rates of commissions would also be applicable if similar transactions were carried out with unrelated third parties. Accordingly, our Directors are of the view that the transactions were on normal commercial terms and on an arm's length basis. The transactions are not prejudicial to the interests of our Group and our minority Shareholders.

In respect of the period prior to demerger of our Company from CBB, the rate of commission agreed upon between the CBB Group and our Group was 40.0% of the first instalment payable by customers under the prevailing annual plan. The transactions in respect of this period were not conducted on an arms' length basis.

As this transaction was negotiated together with that described above in the section titled "Interested Person Transactions — On-going Transactions — Cord Blood Banking Services — Client Referral Commission paid by our Group to the CBB Group" pursuant to which the Co-operation Agreement was entered into, the continuance of this transaction is necessary subsequent to our listing on the Main Board of the SGX-ST.

Our Group also has in place internal control measures to monitor the commissions that are payable by the CBB Group to our Group pursuant to this arrangement and this includes the preparation of detailed quarterly reports as described in the section titled "Interested Person Transactions — Ongoing Transactions — Collection payments between the CBB Group and our Group" of this Prospectus. Moving forward, our Group will in addition to the aforementioned procedures, maintain a register of such transactions. The register will detail each customer contract entered into, the first instalment amount paid by such customers as well as the commission payable to our Group pursuant to each customer contract. This register, together with the aforementioned reports will be presented to our Audit Committee for review on a quarterly basis. Furthermore, the management will also be responsible for reporting and explaining to our Audit Committee any transaction whereby the amount of commission paid is less than 50.0% of the first instalment payment by the customer under the CBB Group's prevailing annual plan. The Management will also provide all necessary information required by our Audit Committee to facilitate its review process.

(3) Collection payments between the CBB Group and our Group

As a consequence of the Co-operation Agreement, the CBB Group had from time to time, accepted customer payments on behalf of our Group in respect of the provision of Cord Blood Banking Services (the "**CBB Collection Fees**"). Similarly, as a consequence of the Cordlife Stem Cell Technology Co-operation Agreement, our Group had also from time to time, accepted customer payments on behalf of the CBB Group in respect of the provision of umbilical cord tissue banking services (the "**CS Collection Fees**") in Hong Kong. Such collection services facilitate and provide convenience for customers of (i) the CBB Group as Cordlife Stem Cell does not have any operations in Hong Kong and is thus unable to collect such fees from customers in Hong Kong and (ii) our Group as some of these customers do not have accounts in the jurisdictions that they intend to store the cord blood units in.

After collection from the customers, the CBB Collection Fees and the CS Collection Fees would be paid back to our Group and the CBB Group respectively, on a quarterly basis, and computed based on the actual payments collected by each of our Group and the CBB Group respectively, without the addition of any margins. It is likely that had our Group transacted with an unrelated third party instead of the CBB Group, it would charge such third party a margin for the service. As these transactions are not on normal commercial terms, they were not on an arm's length basis.

The following table sets out the aggregate CBB Collection Fees collected by the CBB Group on behalf of our Group for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate CBB Collection Fees collected by the CBB Group on behalf of our Group	1,137	2,184	2,142	1,551

The following table sets out the aggregate CS Collection Fees collected by our Group on behalf of the CBB Group for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate CS Collection Fees collected by our Group on behalf of the CBB Group	—	—	315	805

In this regard, the continuance of these transactions subsequent to our listing on the Main Board of the SGX-ST is necessary. Accordingly, our Directors are also of the view that such transactions are not prejudicial to the interests of our Group and our minority Shareholders.

Moreover, our Group has in place internal control measures to monitor and ensure payments that the CBB Group collects on behalf of our Group are eventually remitted to our Group. In particular, our Company's compliance team makes a record of the executed customer contracts as well as the cord blood units, as and when they are received. This is in addition to their responsibility of monitoring the executed customer contracts and the actual cord blood units received and processed by our Group against the credit notes issued by the CBB Group on a monthly basis. Such credit notes are issued by the CBB Group to our Group as evidence of payments made by customers. Should there be any outstanding amounts payable upon the checks conducted by our compliance team, our accounts receivables team would follow up with the relevant customers for the payments to be made to the CBB Group, who will accept the payments on behalf of our Group.

Moving forward, our Company will, in addition to the aforementioned procedures, provide reports to our Audit Committee with respect to the net amounts being fully remitted to our Group and the CBB Group, respectively, on a quarterly basis. Such reports will include a breakdown of, *inter alia*, the aggregate amounts of commissions payable to the CBB Group or our Group (as applicable) for the current quarter, the number of customer contracts entered into for the current quarter, the outstanding balance billed brought forward from the previous quarter, the total customers contracts outstanding and the outstanding balance billed as at the end of the current quarter and information on the set off of any sums for the relevant quarter. Every quarter, the collections payments are netted off from the commissions owing either to the CBB Group or our Group, subsequent to which the balance amount is remitted to the CBB Group and our Group respectively. Any balance which is not collected by our Group shall also be reported to our Audit Committee. In addition, should our accounts receivable team, upon their checks, realise that our customers had actually made payment of the CBB Collection Fees or had made payments of the CBB Collection Fees in excess of what they are obliged to pay pursuant to their contracts, we will escalate such matters to our Chief Executive Officer as soon as practicable and report the same to our Audit Committee on a quarterly basis. In the event there should be any material collectability issues which cannot be resolved, our Audit Committee will make the necessary recommendations to our Board which will then decide whether it is in the best interests of our Company to continue with such transactions.

Our Company is of the opinion that based on the quarterly reports as well as the aforementioned procedures, the Audit Committee will be in a good position to review and determine if the collection payments are properly remitted as there would be sufficient information disclosed in the quarterly reports as well as sufficient information made available to them, for our Audit Committee to be able to ascertain the correct amounts payable and the actual payments made. In this regard, our Directors are of the opinion that there are sufficient controls in place to mitigate any risks associated with the collection of payments by the CBB Group on behalf of our Group.

In future, in deciding whether to adopt similar collection payment arrangements with unrelated third parties, our Company will consider both the financial standing and track record of dealing with such third party (if any). In addition, our Company would assess the capabilities of such third party in being effective in providing such collection services, particularly the manner in which they approach and communicate with our customers being consistent with the approach adopted by our Company.

(4) ROFR Agreement and Non-Compete Agreement between CBB and our Company

We had, on 30 June 2011, entered into the ROFR Agreement and the Non-Compete Agreement. These agreements were entered into pursuant to our plans in respect of our demerger from CBB, to separate the developing businesses owned by the CBB Group, which required continued cash investments from the developed businesses owned by our Group which were cash-flow positive. The Cordlife Stem Cell Technology Co-operation Agreement, the Co-operation Agreement, the ROFR Agreement, the Non-Compete Agreement and the Provision of Service Agreement were negotiated together with the Trademark Agreement to regulate and govern the relationship between the CBB Group and our Group post demerger.

The Non-Compete Agreement is consistent with our Company's future plans and growth strategy to acquire, if so offered by CBB under the ROFR Agreement, CBB's entities or operations in the relevant jurisdictions. Our Company has a right to acquire these entities or operations pursuant to its rights under the ROFR Agreement.

Pursuant to the ROFR Agreement, CBB granted to our Company a right of first refusal to acquire its cord blood banking business (a) in Indonesia and the Philippines for a period of three years and (b) in India for a period of five years, from the date of the agreement.

Pursuant to the Non-Compete Agreement, (a) our Company agreed to not undertake any activities or carry on any business or trade that competes directly with the business carried on or proposed to be carried on by CBB for a period of five years from the date of this agreement, in respect of India and a period of three years from the date of this agreement, in respect of Indonesia and the Philippines and (b) CBB agreed not to undertake any activities or carry on any business or trade that competes directly with the business carried on or proposed to be carried on by our Company for a period of three years from the date of this agreement in respect of Singapore and Hong Kong.

The ROFR Agreement, together with the Non-Compete Agreement, are not prejudicial to our Group and our minority Shareholders. In view of the nature of these agreements, coupled with the fact that the consideration in respect of these agreement was S$1.00, these agreements were not on normal commercial terms and were not arrived at on an arm's length basis.

(5) Trademark Agreement between CBB and our Company

Pursuant to our demerger from CBB, we had, on 30 June 2011, entered into the Trademark Agreement whereby our Company grants to certain subsidiaries of CBB Group (each a "**Licensed Entity**" and collectively, the "**Licensed Entities**") the non-transferable right and licence (the "**Licensed Right**") of certain trademarks owned by our Company for use in, *inter alia*, Australia, India, the Philippines, Indonesia and Hong Kong. In particular, the Trademark Agreement also permits Cordlife Hong Kong the use of the Licensed Right in respect of its umbilical cord tissue banking services. Currently, the CBB Group does not have any operations in Australia.

This agreement was negotiated together with the Cordlife Stem Cell Technology Co-operation Agreement, the Co-operation Agreement, the ROFR Agreement, the Non-Compete Agreement and the Provision of Service Agreement to regulate and govern the relationship between the CBB Group and our Group post demerger.

The Trademark Agreement shall terminate upon the occurrence of, *inter alia*, the following events:

(a) the termination of the Co-operation Agreement; or

(b) a change of control having occurred in any of the Licensed Entities without the prior consent of our Company, whereby change of control refers to (i) any person is or becomes the beneficial owner, directly or indirectly, of issued shares of the Licensed Entity representing 51% or more of the total voting rights in the relevant Licensed Entity or otherwise acquires (by way of itself, or with or through any concert party), control of the relevant Licensed Entity; (ii) the direct or indirect sale or exchange by the shareholders of the relevant Licensed Entity of 51% of the shares of the relevant Licensed Entity; (iii) a merger of consolidation in which the relevant Licensed Entity is a party and in which the shareholders of the relevant Licensed Entity before such ownership change do not retain, directly or indirectly, at least 49% of the beneficial interest in the voting shares of the relevant Licensed Entity after such transaction; or (iv) an agreement for the sale or disposition by the relevant Licensed Entity of all or substantially all of its assets.

In respect of Hong Kong and Australia, the Licensed Right is only granted to the specific entities of Cordlife Stem Cell and CBB, respectively, on a non-exclusive basis.

The tenure of the Licensed Right shall be as follows:

(a) in respect of Australia and Hong Kong, the expiry of a period of five years from 30 June 2011;

(b) in respect of India, the earlier of (i) the expiry of a period of five years from 30 June 2011 or (ii) the exercise by our Company of its rights pursuant to the ROFR Agreement to acquire the shares of the relevant CBB subsidiary who has business operations in India; or

(c) in respect of Indonesia and the Philippines, the earlier of (i) the expiry of three years from 30 June 2011 or (ii) the exercise by our Company of its rights pursuant to the ROFR Agreement to acquire the shares of the relevant CBB subsidiary who has business operations in either Indonesia and/or the Philippines.

This agreement is not prejudicial to our Group and our minority Shareholders. However, as CBB is not required, pursuant to the terms of the Trademark Agreement, to pay our Company any fees for utilisation of the Licensed Right as opposed to the situation where a fee is charged, this transaction was not on normal commercial terms and were not on an arm's length basis.

This arrangement in respect of the Trademark Agreement was made as part of the demerger plans of our Company from CBB and for purposes of furthering the objectives under the Co-operation Agreement. Upon the expiration of this agreement, our Board of Directors will determine whether to extend the term of such agreement taking into consideration the management's recommendations.

(6) Marketing Collaboration Agreement between Cordlife Hong Kong and China Cord Blood

On 18 May 2011, Cordlife Hong Kong had entered into a marketing collaboration agreement with China Cord Blood pursuant to which, China Cord Blood will utilise its sales resources and sales team to assist Cordlife Hong Kong in the promotion of Cordlife Hong Kong's cord blood banking services to PRC customers who will be delivering in Hong Kong and China Cord Blood will in return, be entitled to receive commission for every customer referred by them to Cordlife Hong Kong. Accordingly, we would be able to gain access to PRC expectant mothers in Beijing and the Guangdong and Zhejiang provinces who intend to deliver in Hong Kong pursuant to the arrangement in respect of this marketing collaboration agreement.

The rate of commission is HK$1,100 (approximately S$183) for every customer referred by China Cord Blood who subsequently agrees to purchase Cord Blood Banking Services from Cordlife Hong Kong and HK$110 (approximately S$18) for every customer referred by China Cord Blood who delivers in Hong Kong but does not subsequently agree to purchase Cord Blood Banking Services from Cordlife Hong Kong.

The following table sets out the aggregate amounts of commission paid by our Group to the China Cord Blood for FY2009, FY2010, FY2011 and the period commencing 1 July 2011 to the Latest Practicable Date:

(S$'000)	FY2009	FY2010	FY2011	1 July 2011 to the Latest Practicable Date
Aggregate amounts of commission paid by our Group to China Cord Blood	—	—	1	1

This agreement is not prejudicial to our Group and our minority Shareholders. The rates of commissions were fully negotiated between the management of our Company and China Cord Blood prior to its execution. As this transaction was on normal commercial terms, it was conducted on an arm's length basis.

In addition, our Group has in place internal control measures to monitor and ensure that such payment of commissions to China Cord Blood is in order. In particular, the senior sales personnel from Cordlife Hong Kong is in charge of monitoring the customer data received from China Cord Blood and following up with these customers to clarify if they would be delivering in Hong Kong and would like to purchase our Cord Blood Banking Services, pursuant to which our finance department would be able to compute the amounts of commission payable to China Cord Blood. Our senior finance personnel are also responsible for determining whether the commissions paid are accurate. This process seeks to ensure that the amount of commission paid to China Cord

Blood in respect of each of its referral is the accurate amount. Moving forward, our Company will, in addition to the aforementioned procedures, maintain a register of all PRC customers delivering in Hong Kong which were referred through China Cord Blood as well as the commissions payable to China Cord Blood in respect of such customers. Pursuant to the agreement between Cordlife Hong Kong and China Cord Blood, Cordlife Hong Kong would have to pay the (i) commission amount of HK$1,100 for every PRC customer referred through China Cord Blood who subsequently agrees to purchase Cord Blood Banking Services from Cordlife Hong Kong ("**Successful Referral**") and (ii) the commission amount of HK$110 for every PRC customer referred through China Cord Blood who does not subsequently purchase Cord Blood Banking Services from Cordlife Hong Kong despite having delivered the child in Hong Kong ("**Unsuccessful Referral**"). As such, our management will also be responsible for reporting and explaining to our Audit Committee any situation whereby (i) the commission amount paid to China Cord Blood in respect of a Successful Referral is more than HK$1,100 or (ii) the commission amount paid to China Cord Blood in respect of an Unsuccessful Referral is more than HK$110.

The Management will also produce a tabulation of the cumulative amounts of commission that are payable to China Cord Blood every quarter. Should any of such sums exceed S$10,000, approval is required to be obtained from the Chief Executive Officer and one member of our Audit Committee before the commission may be paid out to the China Cord Blood. In addition, the Management will also provide all necessary information required by our Audit Committee to facilitate its review process. The aforementioned register and tabulation report shall be reviewed by our Audit Committee on a quarterly basis to ensure that the amounts of commission payable to China Cord Blood are made in accordance with the aforementioned procedures.

(7) Investment in Cordlife India

On 7 March 2012, we entered into a subscription agreement with CSCT, which holds 85% of Cordlife India, pursuant to which we will invest S$1.5 million in CSCT, through the subscription of the Bonds issued by CSCT. The investment amount of S$1.5 million is intended for the expansion of operations of CSCT and Cordlife India only. This sum will be financed by the internally generated funds of our Company. CSCT holds 85.0% of Cordlife India. The remaining 15.0% interest in Cordlife India is held by an unrelated third party. CSCT is an investment holding company and has no operating businesses.

Pursuant to the terms of the subscription agreement, the investment amount will be contributed in one tranche. The Bonds issued by CSCT have an aggregate redemption value ("**Redemption Value**") of approximately S$2.2 million upon its maturity at the end of two years from the issue date, and such Redemption Value was computed taking into account a 20.0% yield per annum, compounding on the anniversary of the issue date of the bond, in respect of the issue price of S$1.5 million.

The Bonds may be redeemed or converted prior to maturity at the option and discretion of the Board of Directors, after taking into consideration the management's recommendations.

Pursuant to the terms and conditions of the Bonds, if the Bonds are redeemed prior to maturity, the early redemption yield will be 20.0% per annum of the investment amount of S$1.5 million, compounding on each anniversary of the closing date (calculated from the bond issue date until the date of redemption).

We may, at our discretion, convert the Bonds prior to the maturity date at any time after the date falling six months after the bond issue date, by issuing a conversion notice to CSCT, which shall issue new ordinary shares of CSCT to us within 60 days of receipt of such notice. The number of new ordinary shares of CSCT to be issued to us will depend on the value of the Bonds divided by the conversion price of such ordinary shares of CSCT. The value of the Bonds at the time of conversion shall be 20.0% on the investment amount (being S$1.5 million) compounding on each anniversary of the bond issue date, in addition to the investment amount (being S$1.5 million). The conversion price of such ordinary shares of CSCT will depend on the total share capital of CSCT multiplied by a factor 1.8, and divided by the total number of outstanding ordinary shares of CSCT at the relevant time.

Upon subscription, the Bonds would convert into approximately 30% of the total outstanding shares of CSCT, assuming that the Bonds are converted at maturity. This may increase or decrease at the actual time of conversion should CSCT issue new shares or cancel any existing shares prior to maturity. However, the total number of ordinary shares of CSCT to be issued on conversion shall not exceed 30.0% of the total outstanding shares of CSCT. The remaining value of the Bonds, if any, shall be redeemed for in cash.

For so long as the Bonds remain outstanding, our Company shall have the right to appoint one member to the board of directors of CSCT and restrict CSCT from issuing new shares. We were approached by CSCT for an investment opportunity. Our investment via the Bonds was to enable us to follow and track the business development and progress of Cordlife India and give our Company the option to acquire a stake in Cordlife India, should Cordlife India perform successfully. Accordingly, our Directors are also of the view that such transactions are not prejudicial to the interests of our Group and our minority Shareholders.

The terms of the subscription agreement were fully negotiated between the boards of directors of CBB and our Company prior to its execution. As this transaction was on normal commercial terms, it was conducted on an arm's length basis.

Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or associated companies over which the listed company has control (other than a subsidiary or associated company that is listed on an approved foreign stock exchange) proposes to enter into a transaction with the listed company's interested persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain financial thresholds. In particular, shareholders' approval is required where the value of such a transaction is not below S$100,000 and is:

(a) equal to or more than 5.0% of our Group's latest audited NTA; or

(b) equal to or more than 5.0% of our Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

Definitions under the Listing Manual

Under the Listing Manual:

(a) the term "interested person" is defined to mean a director, chief executive officer, or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder; and

(b) the term "associate" is defined to mean:

(i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual):

- his immediate family;
- the trustee of any trust of which he and his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he and his immediate family (that is, the spouse, child, adopted child, step-child, sibling or parent) together (directly or indirectly) have an interest of 30% or more;

(ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review all interested person transactions, including the transactions set out in the sections titled "Interested Person Transactions — On-going Transactions — Cordlife Stem Cell Technology Co-operation Agreement between Cordlife Stem Cell and our Company", "Interested Person Transactions — On-going Transactions — Co-operation Agreement between CBB and our Company" and "Interested Person Transactions — On-going Transactions — Marketing Collaboration Agreement between Cordlife Hong Kong and China Cord Blood" of this Prospectus, that would continue following our listing on the Main Board of the SGX-ST, on a quarterly basis to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of our Shareholders by ensuring that the following policies are adopted by the management:

(a) in respect of the transactions set out in the sections titled "Interested Person Transactions — On-going Transactions — Cordlife Stem Cell Technology Co-operation Agreement between Cordlife Stem Cell and our Company" and "Interested Person Transactions — On-going Transactions — Co-operation Agreement between CBB and our Company" of this Prospectus, assessing, *inter alia*, the commercial aspects of such transactions against, where applicable, available comparables, to ensure that the amounts derived from the commissions payable pursuant to such transactions remain commercially beneficial to our Group and financially profitable from our Group's perspective;

(b) in respect of the transactions set out in the sections titled "Interested Person Transactions — On-going Transactions — Cordlife Stem Cell Technology Co-operation Agreement between Cordlife Stem Cell and our Company", "Interested Person Transactions — On-going Transactions — Co-operation Agreement between CBB and our Company", "Interested Person Transactions —

On-going Transactions — Collection Payments between the CBB Group and our Group" and "Interested Person Transactions — On-going Transactions — Marketing Collaboration Agreement between Cordlife Hong Kong and China Cord Blood" of this Prospectus, the procedures in respect of which payments are collected and commission payments are made, are in accordance with the internal control measures which our Group has adopted as described in the corresponding sections of this Prospectus;

(c) to a reasonable extent, market rates for the same or substantially similar types of transactions entered into between us and unrelated third parties will be used as benchmarks to determine whether the terms and price offered to or received from the interested person are no more favourable than those extended to unrelated third parties. Where possible, quotations will be obtained from at least two third parties and market rates will be derived through the prices and terms of such comparative offers from these third parties;

(d) in determining the most competitive pricing, the suitability, quality and cost of the product or service, and the experience and expertise of the supplier will be taken into consideration;

(e) in relation to sales by our Group to interested persons, unless otherwise approved by the Audit Committee, the interested persons will be charged at rates not lower than that charged to independent third parties; and

(f) if there is a potential conflict of interests arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

All interested persons transactions above S$100,000 are to be approved by the members of our Audit Committee who shall not be an interested person in respect of the particular transaction. Interested person transactions below S$100,000 do not require such approval.

Any contracts to be made with an interested person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties and the terms are no more favourable than those extended to or received from unrelated parties.

In the event that a member of our Audit Committee is interested in any of the interested person transactions, he will abstain from reviewing that particular transaction.

In a meeting to obtain shareholder approval, an interested person or any associate of such interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

If our Audit Committee deems necessary, internal auditors will be appointed to review interested person transactions on a quarterly basis to ensure full compliance with the terms of the executed agreements and rules and regulations implemented by the SGX-ST for both on-going and future interested person transactions. The report of such internal auditors will be submitted to our Audit Committee for their review. Our Audit Committee will review the quarterly internal audit reports to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with.

The quarterly report shall detail the basis and procedures used to determine the terms of the transactions and whether the terms are normal commercial terms and not prejudicial to the interests of our Shareholders. Please refer to the Section titled "Directors, Executive Officers and Staff — Corporate Governance" of this Prospectus for more details of our Audit Committee.

Our Audit Committee will also review all interested person transactions to ensure that the then prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with. We will also endeavour to comply with the principles of and best practices set out in the Listing Manual.

In general, a conflict of interests situation arises when any of our Directors, Controlling Shareholders or their Associates carries on or has any interest in any other corporation carrying on the same business or dealing in similar products as our Group. We summarise below the potential conflicts of interests which may arise between us and our Controlling Shareholders and Directors and their respective associates.

Conflicts of Interests in relation to our Director

Our Non-executive Director, Ms Jin Lu is a director of, and holds options which is equivalent to 0.19% of the share capital of Golden Meditech Holdings Limited, a company listed on the Hong Kong Stock Exchange as at the Latest Practicable Date, which together with its subsidiaries, is an integrated medical devices and healthcare services provider in the PRC. Ms Jin Lu is in charge of the general administration and daily operations of Golden Meditech Holdings. Ms Jin Lu is however not a nominee director of Golden Meditech Holdings or of any shareholders of our Company. Golden Meditech Holdings Limited wholly-owns Golden Meditech Stem Cells Company Limited, which in turn owns 41.0% of China Cord Blood as at the Latest Practicable Date, a company listed on the New York Stock Exchange. China Cord Blood is involved in the business of cord blood banking (the "**Competing Business**") in the PRC, specifically in Beijing as well as Guangdong province and Zhejiang province.

Pursuant to the regulations governing cord blood banking as promulgated by the health ministry in the PRC, there can only be one cord blood licence-holder per region ("**One Licence-Holder Policy**") and this precludes more than one cord blood banking licensee from operating in the same provincial-level region. In this regard, we currently do not compete with China Cord Blood as we currently do not provide Cord Blood Banking Services in the PRC and our interest in the PRC is only limited to our indirect 10.0% shareholding interest in Guangzhou Tianhe Nuoya. The remaining 90.0% shareholding interest of Guangzhou Tianhe Nuoya is owned indirectly by China Cord Blood. However, we may in future decide to expand our cord blood banking operations into other regions within the PRC. As there can only be one cord blood banking licensee per provincial-level region, there may be potential conflicts of interests should China Cord Blood also decide to expand their operations into the same region as us.

Ms Jin Lu has confirmed that she is not involved in the day-to-day management of China Cord Blood and has no control over the day-to-day operations of China Cord Blood.

Conflicts of Interests in relation to our Controlling Shareholders

As at the Latest Practicable Date, our deemed Controlling Shareholder, China Cord Blood, owns a 16.15% shareholding interest in our Company through their interest in China Stem Cells (East) Company Limited. As described above, in view of the One Licence-Holder Policy, this may as such result in potential conflicts of interests should China Cord Blood decide to expand their cord blood banking operations into similar regions within the PRC as us.

Despite the abovementioned, China Stem Cells (East) Company Limited, which China Cord Blood holds its deemed interests in our Company through, has no intention to subscribe for the Invitation. As such, the shareholding interests of China Stem Cells (East) Company Limited will decrease to below 15.0% immediately after the Invitation. In this regard, China Stem Cells (East) Company Limited, and accordingly, China Cord Blood will cease being a Controlling Shareholder upon our listing on the Main Board of the SGX-ST and the aforementioned conflict of interests situation will cease to exist.

As at the Latest Practicable Date, CBB is considered our deemed Controlling Shareholder by virtue of the option it has to acquire all our issued Shares pursuant to the "A" Preference Share held by it. Please refer to the section titled “General Information on our Group — Share Capital” of this Prospectus for further details on the “A” Preference Share. As CBB is also engaged in the Competing Business, this may give rise to potential conflicts of interests should they decide to expand their operations into similar regions as us.

Despite the abovementioned, the “A” Preference Share which was issued to CBB to enable them to acquire all our issued Shares would lapse on the day of our listing on the Main Board of the SGX-ST. As such, CBB will accordingly cease being a Controlling Shareholder upon our listing on the Main Board of the SGX-ST and the aforementioned conflict of interests situation will cease to exist.

Mitigation

We believe that any potential conflicts of interests are addressed as follows:

Our Directors have a duty to disclose their interests in respect of any contract, arrangement or any other proposal whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interests (including conflicts of interests that arise from their directorship(s) or executive position(s) or personal investments in any other corporation(s)) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board of Directors, and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists. Hence, Ms Jin Lu will abstain from participating in relation to any matters that may give rise to potential conflicts of interests with China Cord Blood. In addition, Ms Jin Lu will also abstain from participating in relation to any matters or transactions which may involve the CBB Group.

(a) China Cord Blood and CBB are companies listed on the New York Stock Exchange and the Australian Securities Exchange, respectively. The board of directors of each of China Cord Blood and CBB is separate and distinct from our Board of Directors. In this regard, all decisions undertaken by each of China Cord Blood and CBB will be (i) respectively subject to the relevant listing rules in respect of the New York Stock Exchange and Australian Securities Exchange; (ii) subject to the scrutiny of the relevant regulators and authorities and (iii) where applicable, subject to the respective approvals of the shareholders of China Cord Blood and CBB, and will accordingly be made independent of our Company.

(b) Notwithstanding the fact that Ms Jin Lu is an executive director of Golden Meditech Holdings Limited which indirectly owns 41.0% of China Cord Blood as at the Latest Practicable Date, any influence that China Cord Blood may have on our board decisions is limited in view of the fact that the board of directors of China Cord Blood is separate and distinct from our Board of Directors and the fact that none of our Directors (save for Ms Jin Lu) are in any way related to China Cord Blood. Moreover, despite being our indirect Shareholder, the role played by China Cord Blood in relation to the affairs of our Group has historically been limited and they have remained a passive investor since their investment in CBB, our previous parent company, through a private placement exercise in 2007.

(c) There exists geographical segmentation in respect of the markets in which each of China Cord Blood, CBB and our Group currently operates. Whereas our Group operates primarily in Singapore and Hong Kong, CBB focuses on developing markets, operating in the Philippines, Indonesia and India and China Cord Blood operates primarily in Beijing as well as Guangdong province and Zhejiang province.

In addition, we have entered into a marketing collaboration agreement with China Cord Blood, pursuant to which China Cord Blood agrees to utilise and authorise its sales resources and sales team to assist Cordlife Hong Kong in the promotion of Cordlife Hong Kong's Cord Blood Banking Services in the PRC and in particular, undertake marketing activities to promote the Cord Blood Banking Services offered by Cordlife Hong Kong to expectant mothers who intend to deliver in Hong Kong.

In respect of CBB, we have entered into the Non-Compete Agreement, pursuant to which our Company agreed not to undertake any activities or carry on of any business or trade that competes directly with the business carried on or proposed to be carried on by CBB in Indonesia and the Philippines for a period of three years from 30 June 2011 and in India for a period of five years from 30 June 2011. The period of non-competition in these jurisdictions is determined by the board of CBB based on their assessment of the businesses and the estimated time-frame that is required for such businesses to turn profitable and, if the board of CBB decides to dispose of such businesses, our Company would have the first right to acquire these businesses under the ROFR Agreement. In the Non-Compete Agreement, CBB also agreed not to undertake any activities or carry on any business or trade that competes directly with the business carried on or proposed to be carried on by our Company in Singapore and Hong Kong for a period of three years from 30 June 2011. The Non-Compete Agreement was entered into on a voluntary basis between our Company and CBB.

In addition, in view of the fact that CBB will cease being a Controlling Shareholder upon our listing on the Main Board of the SGX-ST due to the lapsing of the "A" Preference Share, our Directors are of the view that the tenure of the Non-Compete Agreement is sufficient.

The Non-Compete Agreement is conditional upon, among others, the following: (a) there being no change of control in CBB, (b) no corporate action, legal proceedings or other procedure or step is taken in relation to CBB as to the suspensions of payments, a moratorium of its indebtedness, winding up, among others, and (c) the ROFR Agreement, the Co-operation Agreement and the Trademark Agreement not having been terminated pursuant to their terms. We also entered into the Co-operation Agreement, pursuant to which both CBB and our Company agree to market and sell the cord blood banking services, on behalf of the other party, to potential customers who intend to store the cord blood units in a jurisdiction(s) in which the other party operates in. In view of the aforementioned, the regions in which each of China Cord Blood, CBB and our Group currently operates in have been specifically delineated.

(d) Our Audit Committee is required to examine the internal guidelines and procedures put in place by our Company to determine if such guidelines and procedures put in place are sufficient to ensure that interested person transactions and potential conflict are conducted on normal commercial terms and will not be prejudicial to our Group and our minority shareholders

(e) Upon our listing on the SGX-ST, we will be subject to Chapter 9 of the Listing Manual in relation to interested person transactions. The objective of these rules is to ensure that our interested person transactions do not prejudice the interests of our shareholders as a whole. These rules require us to make prompt announcements, disclosures in our annual report and/or seek shareholders' approval for certain material interested person transactions. Our Audit Committee may also have to appoint independent financial advisers to review such interested person transactions and opine on whether such transactions are fair and reasonable to us, not prejudicial to our interests and the interests of our minority shareholders.

(f) Our Directors owe fiduciary duties to us, including the duty to act in good faith and in our best interests. Our Directors are also subject to a duty of confidentiality that precludes a Director from disclosing to any third party information that is confidential to us.

Save as disclosed above and in the section titled "Interested Person Transactions" of this Prospectus, none of our Directors, Controlling Shareholders and key executives or their respective Associates has any material interest, direct or indirect, in:

(a) any company carrying on the same business or deals in similar products as our Company or any of our Subsidiaries;

(b) any enterprise or company that is our Group's customer or supplier of goods or services; and/or

(c) any material transactions to which we were or are to be a party.

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. The name, age, address, principal occupation and business and working experience of each of our Directors and Executive Officers are set out in the section titled "Directors, Executive Officers and Staff" of this Prospectus.

2. Save as disclosed below, none of our Directors or Executive Officers has:

   (a) at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction 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 two years from the date he ceased to be a partner;

   (b) at any time during the last 10 years, had an application or a petition under any law of any jurisdiction, 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 two 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;

   (c) any unsatisfied judgment against him;

   (d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or have been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

   (e) 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 have been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

   (f) at any time during the last 10 years, had judgment 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 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;

   (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) 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;

   (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

   (j) ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —

      (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(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;

(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

(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,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; and

(k) been the subject of any current or past investigation or disciplinary proceedings, or have been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Disclosures relating to our Non-executive Director, Ms Jin Lu

In 2000, Ms Jin Lu, Skyland Group Co. Ltd ("**Skyland**") (a company which she is a present director of) and a third party (the "**Third Party**") were jointly involved as defendants in a high court proceeding in Hong Kong in relation to a mortgage dispute. In September 1997, both Ms Jin Lu and the Third Party had jointly acted as guarantors for a loan (the "**Loan**") obtained by Skyland which Skyland had subsequently defaulted on, as a result of which both Ms Jin Lu and the Third Party were sued by the relevant bank in 2000. The Loan had since been settled and there are no amounts currently outstanding. This case has also since been concluded.

In 2011, Ms Jin Lu, as well as the other directors of a company (the "**Relevant Company**") applied to court for an extension of time under section 122(1B) of the Companies Ordinance of Hong Kong to rectify the Relevant Company's failure in filling its annual reports in respect of 2008. The order was granted by the court on 9 June 2011 and the annual reports were subsequently filed.

Disclosures relating to our Independent Director, Mr Ng Tiak Soon

Mr Ng was a director of Kengly Offset Printing Pte Ltd ("**Kengly**"), a company which was incorporated in Singapore sometime in 1979. Kengly was a dormant company when he joined as a director on 25 March 1980. Sometime in late 1981/early 1982, or thereabouts, summons were issued by the Registry of Companies (now known as the Accounting and Regulatory Authority of Singapore) against the directors of Kengly for failure to hold Kengly's annual general meeting and file Kengly's annual return within the requisite period. The matter was resolved upon payment of a fine of about S$200 by each director. Subsequently, Mr Ng resigned as a director of Kengly on 30 April 1982.

In late 2003 or 2004, Mr Ng had assisted in investigations conducted by the Commercial Affairs Department ("**CAD**") in relation to the affairs of a company incorporated in Singapore. Mr Ng was interviewed by the CAD in his capacity as an audit partner of Messrs Ernst & Young, which had provided audit and other services to this company. Mr Ng was not the subject of investigations and was not involved in the management of this company at any time.

3. No person (including any Director or Executive Officer) has been, or is entitled to be, given an option to subscribe for or purchase any Shares in or debentures of our Company and its subsidiaries.

4. No Director or expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two years preceding the date of this Prospectus, been acquired or disposed of by or leased to our Company or any of our subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries.

SHARE CAPITAL

5. Save as set out under the section titled "General Information on our Group — Share Capital" of this Prospectus, there were no changes in the share capital of our Company and any of our subsidiaries within the three years preceding the Latest Practicable Date.

MATERIAL CONTRACTS

6. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our subsidiaries within the two years preceding the date of lodgement of this Prospectus and are or may be material:

(a) (i) strategic alliance agreement (the "**Strategic Alliance Agreement**") dated 11 February 2010 entered into between our Company, Cellresearch Corporation Pte Ltd and Cordlabs Pte Ltd for the provision of human postnatal umbilical cord tissue storage services to our Company and training and the transfer of the know-how of the same to our Company, among others, for a period of three years from the date of the agreement;

(ii) deed of assignment (the "**Deed of Assignment**") dated 5 April 2011 entered into between our Company and Cordlife Stem Cell for the assignment of our Company's rights title, benefits, interests and obligations in and under the strategic alliance agreement as provided above to Cordlife Stem Cell;

The expertise and know-how for the provision of cord tissue banking services was previously developed by CBB in collaboration with Cellresearch Corporation Pte Ltd ("**Cellresearch**"), a third party unrelated to the CBB Group, our Group and Cordlife Stem Cell.

As a result of this collaboration, the strategic alliance agreement dated 11 February 2010, as supplemented by the deed of assignment dated 5 April 2011, was entered into. The strategic alliance agreement includes Australia, the city of Beijing, the province of Guangdong, Hong Kong, Indonesia, the Philippines and Singapore on an exclusive basis and Thailand and India on a non-exclusive basis. Our Company does not make any payment in relation to the strategic alliance agreement.

Subsequently, having taken into account various considerations, including the fact that revenue derived from our Company from provision of umbilical cord tissue banking services in Hong Kong was not material in comparison to the revenue that was derived by Cordlife India with respect to the provision of umbilical cord tissue banking services, it was agreed between the parties that the agreement would be assigned to Cordlife Stem Cell (a wholly-owned subsidiary of CBB) pursuant to the Deed of Assignment.

However, subsequent to the demerger of our Company from CBB, our Company had entered into the Cordlife Stem Cell Technology Co-operation Agreement with CBB so that we may be granted the rights to use certain technology and expertise with respect to umbilical cord tissue banking pursuant to which we were able to provide umbilical cord tissue banking services currently in Hong Kong.

Pursuant to the terms of the Strategic Alliance Agreement, as supplemented by the Deed of Assignment, CBB would develop the processes in relation to umbilical cord tissue banking and Cellresearch, with their expertise and know-how in relation to the isolation, cultivation and/or use of stem or progenitor cells derived from the umbilical cord tissue would ensure that the umbilical cord tissue banked by CBB could yield products that could potentially be used for treatment.

(b) agreement dated 1 April 2011 entered between our Company and Raffles Hospital, the details of which are set out in the section titled "History and Business — Collaboration" of this Prospectus;

(c) marketing collaboration agreement dated 18 May 2011 entered into between Cordlife Hong Kong and China Cord Blood, details of which are set out in the section titled "History and Business — Collaboration" of this Prospectus;

(d) agreement dated 1 June 2009 entered into between our Company and East Shore Hospital, the details of which are set out in the section titled "History and Business — Collaboration" of this Prospectus;

(e) bond deed dated 14 May 2011 entered into among our Company, CBB and the CBB Bond Holder pursuant to which CBB granted the CBB Bond Holder an option, exercisable into 21,800,000 shares in the capital of CBB at the exercise price of A$0.40 per share and our Company granted the CBB Bond Holder the CBB Option, exercisable into 21,800,000 Shares, at no consideration the details of which are set out in the section titled "General Information on our Group — Restructuring Exercise" of this Prospectus;

(f) the Cordlife Stem Cell Technology Co-operation Agreement;

(g) the ROFR Agreement;

(h) the Provision of Service Agreement;

(i) the Non-Compete Agreement;

(j) the Co-operation Agreement;

(k) the Trademark Agreement;

(l) agreement dated 1 July 2011 entered between our Company and Thomson Medical Pte Ltd, details of which are set out in the section titled "History and Business — Collaboration" of this Prospectus;

(m) subscription agreement dated 7 March 2012 entered into between our Company and CSCT, details of which are set out in the section titled "History and Business — History" of this Prospectus.

LITIGATION

7. As at the Latest Practicable Date, we are not engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the 12 months immediately preceding the date of the lodgement of this Prospectus, a material effect on our financial position or profitability. Our Directors have no knowledge of any proceedings pending or threatened against our Company or any of our subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or the business of our Company or any of our subsidiaries.

MISCELLANEOUS

8. The nature of our business is stated in this Prospectus. As at the Latest Practicable Date, the corporations which are deemed to be related to us by virtue of Section 6 of the Companies Act are set out in the section titled "Group Structure" of this Prospectus.

9. There was no public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust between 1 July 2011 and the Latest Practicable Date.

10. Save as disclosed under the Section titled "Risk Factors" of this Prospectus, our Directors are not aware of any relevant material information, including trading factors or risks not mentioned elsewhere in this Prospectus, which is unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.

11. No commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procure subscriptions for any shares in, or debentures of, our Company or any of our subsidiaries.

12. We currently have no intention of changing our auditors after the listing of our Company on the SGX-ST, details of which are set out below:

Name, Membership and Address	Professional Body	Partner-in-charge/ Professional Qualification
Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583	Institute of Certified Public Accountants of Singapore	Mr Tan Swee Ho Certified Public Accountant

13. No expert employed on a contingent basis by our Company or any of our subsidiaries, has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

14. Save as disclosed in this Prospectus, our Directors are not aware of any event which has occurred since 1 October 2011 up to the Latest Practicable Date, which may have a material effect on the financial information provided in "Appendix A — Independent Auditors' Report and Combined Financial Statements for the Financial Years Ended 30 June 2009, 2010 and 2011" and "Appendix B — Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" to this Prospectus.

15. As of the Latest Practicable Date, save as disclosed in the section titled "General Information on our Group" of this Prospectus, no person has been, or has the right to be, given an option to subscribe for or to purchase any securities of our Company or of any of our subsidiaries.

CONSENTS

16. Ernst & Young LLP, as the Independent Auditors and Reporting Accountants have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion herein of their name, the reports, namely, the "Independent Auditors' Report and Combined Financial Statements for the Financial Years Ended 30 June 2009, 2010 and 2011" and the "Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011" as set out in Appendices A and B of this Prospectus, and in the form and context in which they appear in this Prospectus and to act in such capacity in relation to this Prospectus.

17. PrimePartners Corporate Finance Pte. Ltd. named as Issue Manager and Co-Placement Agent has given, and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and all references thereto in the form and context in which it appears in the Prospectus, and to act in such capacity in relation to this Prospectus.

18. UOB Kay Hian Private Limited, named as the Underwriter and Co-Placement Agent has given, and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of, and all references to, its name and all references thereto in the form and context in which appears in the Prospectus, and to act in such capacity in relation to this Prospectus.

19. Deloitte & Touche Financial Advisory Services Limited, named as the Industry Research Consultant has given, and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of, and all references to, its name and all references thereto in the form and context in which appears in the Prospectus, and to act in such capacity in relation to this Prospectus.

20. JunZeJun Law Offices, named as the Legal Advisers to our Company on PRC Law and in respect of Guangzhou Tianhe Nuoya has given, and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of, and all references to, its name and all references thereto in the form and context in which appears in the Prospectus, and to act in such capacity in relation to this Prospectus

21. Each of the Solicitors to our Company, the Share Registrar, the Principal Banks and the Receiving Banks do not make, or purport to make, any statement in this document or any statement upon which a statement in this document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

22. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading. Where information

in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

23. The following documents or copies thereof may be inspected at our registered office at 61 Science Park Road, #05-16/18, The Galen, Singapore Science Park II, Singapore 117525 during normal business hours for a period of six months from the date of registration by the Authority of this Prospectus:

    (a) the Memorandum and Articles of Association of our Company;

    (b) the material contracts referred to in paragraph 6 above;

    (c) the letters of consent referred to in paragraphs 16 to 20 above;

    (d) the Market Research Report of DTFAS as referred to in the section titled "Industry Overview" of this Prospectus;

    (e) the Service Agreement referred to under the section titled "Service Agreement" of this Prospectus;

    (f) the Independent Auditors' Report and Combined Financial Statements for the Financial Years Ended 30 June 2009, 2010 and 2011;

    (g) the Independent Auditors' Report on Review of Combined Interim Financial Statements for the Three-Month Period Ended 30 September 2011;

    (h) the respective audited financial statements of our Company and our subsidiaries (excluding Cordlife Shanghai) for the years ended 30 June 2009, 2010 and 2011; and

    (i) the audited financial statement of Cordlife Shanghai for the years ended 31 December 2008, 2009 and 2010.

Company Registration No. 200102883E

Cordlife Group Limited and its Subsidiaries

Combined Financial Statements
for the financial years ended 30 June 2009, 2010 and 2011

Cordlife Group Limited and its Subsidiaries

Statement by Directors

We, Dr Ho Choon Hou and Yee Pinh Jeremy, being two of the directors of Cordlife Group Limited (the "**Company**"), do hereby state that, in the opinion of the directors:

(a) the accompanying combined financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 30 June 2009, 2010 and 2011 and the results of the business, changes in equity and cash flows of the Group for the years ended on those dates, 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.

On behalf of the Board of Directors

Dr Ho Choon Hou
Director

Yee Pinh Jeremy
Director

Singapore
21 March 2012

Cordlife Group Limited and its Subsidiaries

Independent Auditors' Report on Combined Financial Statements of Cordlife Group Limited for the financial years ended 30 June 2009, 2010 and 2011

21 March 2012

The Board of Directors
Cordlife Group Limited

Dear Sirs:

We have audited the accompanying combined financial statements of Cordlife Group Limited (the Company) and its subsidiaries (collectively, the Group) set out on pages A-5 to A-56, which comprise the combined statement of financial position of the Group as at 30 June 2009, 2010 and 2011, the combined statement of comprehensive income, combined statement of changes in equity, and combined statement of cash flows of the Group for the years then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the combined financial statements

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Cordlife Group Limited and its Subsidiaries

Independent Auditors' Report on Combined Financial Statements of Cordlife Group Limited for the financial years ended 30 June 2009, 2010 and 2011

Opinion

In our opinion, the combined financial statements of the Group are properly drawn up in accordance with Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group as at 30 June 2009, 2010 and 2011 and the results, changes in equity and cash flows of the Group for the years ended on those dates.

Other Matters

This report has been prepared solely for inclusion in the Prospectus dated 21 March 2012 in connection with the proposed listing of the Company's shares on the Singapore Exchange Securities Trading Limited.

Ernst & Young LLP

Public Accountants and
Certified Public Accountants
Singapore
Partner-in-charge: Tan Swee Ho

Cordlife Group Limited and its Subsidiaries

Combined Statements of Comprehensive Income
For the financial years ended 30 June 2009, 2010 and 2011

		Years ended 30 June		
	Note	**2009** **$'000**	**2010** **$'000**	**2011** **$'000**
Revenue from the rendering of services	4	22,584	28,163	25,673
Cost of sales		(6,179)	(7,648)	(7,410)
Gross profit		16,405	20,515	18,263
Other operating income		152	143	360
Selling and marketing expenses		(3,704)	(5,673)	(5,876)
Administrative expenses		(5,766)	(6,568)	(5,535)
Share of results of associate		—	577	1,675
Finance income	5	647	1,000	1,090
Finance costs	6	(25)	(46)	(43)
Profit before income tax	7	7,709	9,948	9,934
Income tax	8	(1,168)	(1,529)	(1,458)
Profit for the financial year, net of tax		6,541	8,419	8,476
Other comprehensive income				
Foreign currency translation		137	(112)	(933)
Total comprehensive income for the financial year, net of tax		6,678	8,307	7,543
Profit after income tax attributable to:				
Non-controlling interests		356	147	—
Owners of the Company		6,185	8,272	8,476
		6,541	8,419	8,476
Total comprehensive income attributable to:				
Non-controlling interests		416	68	—
Owners of the Company		6,262	8,239	7,543
		6,678	8,307	7,543
Earnings per share for profits attributable to owners of the Company:				
Basic EPS (cents per share)	22	4.10	5.48	5.62
Diluted EPS (cents per share)	22	4.10	5.48	5.62

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Combined Statements of Financial Position
As at 30 June 2009, 2010 and 2011

		As at 30 June		
	Note	2009 $'000	2010 $'000	2011 $'000
Non-current assets				
Investment in associate	9	—	14,462	15,111
Property, plant and equipment	10	762	1,952	4,260
Intangible assets	11	52	29	11
Trade receivables	12	17,426	21,082	22,874
Deposits		—	235	208
		18,240	37,760	42,464
Current assets				
Cash and cash equivalents	13	6,991	8,175	3,995
Other financial assets	14	2,775	—	1,310
Trade receivables	12	9,016	7,561	6,788
Other receivables	15	398	456	288
Prepayments		126	235	318
Inventories		217	248	228
Amount owing by holding company	16	26	33	—
Amount owing by related companies	16	4,915	4,308	—
		24,464	21,016	12,927
Current liabilities				
Trade and other payables	17	1,643	2,150	2,261
Deferred revenue	18	3,308	3,371	3,675
Amount owing to holding company	16	3,289	12,370	—
Amount owing to related companies	16	344	251	—
Tax payable		2,187	2,158	2,044
Finance lease liabilities	23	—	17	15
Bank overdraft	13	1,075	837	—
Interest-bearing borrowings	19	—	—	47
		11,846	21,154	8,042
Net current assets/(liabilities)		12,618	(138)	4,885

Cordlife Group Limited and its Subsidiaries

Combined Statements of Financial Position
As at 30 June 2009, 2010 and 2011

		As at 30 June		
	Note	**2009** **$'000**	**2010** **$'000**	**2011** **$'000**
Non-current liabilities				
Deferred revenue	18	2,605	4,556	5,886
Finance lease liabilities	23	—	24	6
Deferred tax liabilities		—	31	132
Interest-bearing borrowings	19	—	—	771
		2,605	4,611	6,795
Net assets		28,253	33,011	40,554
Capital and reserves				
Share capital	20	25,677	25,677	25,677
Accumulated profit		185	8,457	16,933
Reserves	21	1,094	(1,123)	(2,056)
		26,956	33,011	40,554
Non-controlling interests		1,297	—	—
		28,253	33,011	40,554

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Combined Statements of Changes in Equity
For the financial years ended 30 June 2009, 2010 and 2011

	Attributable to owners of the Company							Non-controlling interests	Total Equity
	Share capital $'000	Accumulated profit $'000	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Total $'000	$'000	$'000
Balance at 1 July 2008	25,677	(6,000)	444	534	—	(85)	20,570	864	21,434
Profit for the year	—	6,185	—	—	—	—	6,185	356	6,541
Other comprehensive income	—	—	—	—	—	77	77	60	137
Total comprehensive income for the year, net of tax	—	6,185	—	—	—	77	6,262	416	6,678
Transactions with owners in their capacity as owners									
Share-based payments	—	—	124	—	—	—	124	17	141
Balance at 30 June 2009	25,677	185	568	534	—	(8)	26,956	1,297	28,253

Cordlife Group Limited and its Subsidiaries

Combined Statements of Changes in Equity
For the financial years ended 30 June 2009, 2010 and 2011

	Attributable to owners of the Company							Non-controlling interests	Total Equity
	Share capital $'000	Accumulated profit $'000	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Total $'000	$'000	$'000
Balance at 1 July 2009	25,677	185	568	534	—	(8)	26,956	1,297	28,253
Profit for the year	—	8,272	—	—	—	—	8,272	147	8,419
Other comprehensive income	—	—	—	—	—	(33)	(33)	(79)	(112)
Total comprehensive income for the year, net of tax	—	8,272	—	—	—	(33)	8,239	68	8,307
Transactions with owners in their capacity as owners									
Acquisition of non-controlling interests	—	—	—	—	(2,184)	—	(2,184)	(1,365)	(3,549)
Balance at 30 June 2010	25,677	8,457	568	534	(2,184)	(41)	33,011	—	33,011

Cordlife Group Limited and its Subsidiaries

Combined Statements of Changes in Equity
For the financial years ended 30 June 2009, 2010 and 2011

	Share capital $'000	Accumulated profit $'000	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Total $'000
Balance at 1 July 2010	25,677	8,457	568	534	(2,184)	(41)	33,011
Profit for the year	—	8,476	—	—	—	—	8,476
Other comprehensive income	—	—	—	—	—	(933)	(933)
Total comprehensive income for the year, net of tax	—	8,476	—	—	—	(933)	7,543
Balance at 30 June 2011	25,677	16,933	568	534	(2,184)	(974)	40,554

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Combined Statements of Cash Flows
For the financial years ended 30 June 2009, 2010 and 2011

	Note	Years ended 30 June		
		2009 $'000	2010 $'000	2011 $'000
Cash flows from operating activities:				
Profit before income tax		7,709	9,948	9,934
Adjustments for:				
Depreciation	10	285	407	570
Amortisation	11	42	35	18
Loss on disposal of property, plant and equipment	7	3	5	15
Interest income	5	(59)	(140)	(92)
Interest expense	6	25	46	43
Impairment loss on trade receivables	12	241	—	126
Impairment loss on/(write-back of) amount owing by related companies	7	275	103	(203)
Share of results of associate	9	—	(577)	(1,675)
Share-based payment expense	7	133	—	—
Operating profit before working capital changes		8,654	9,827	8,736
Changes in working capital:				
Increase in trade receivables		(8,409)	(2,201)	(1,145)
(Increase)/decrease in other receivables and prepayments		(165)	(221)	148
(Increase)/decrease in inventories		(103)	(31)	20
Increase/(decrease) in trade payables		93	(47)	(21)
Increase in other payables		349	554	8
Increase in deferred revenue		4,242	2,014	1,634
Cash generated from operations		4,661	9,895	9,380
Interest received		59	140	92
Interest paid		(25)	(46)	(43)
Income tax paid		(873)	(1,699)	(1,394)
Cash generated from operating activities		3,822	8,290	8,035

Cordlife Group Limited and its Subsidiaries

Combined Statements of Cash Flows
For the financial years ended 30 June 2009, 2010 and 2011

	Note	Years ended 30 June		
		2009 $'000	2010 $'000	2011 $'000
Cash flows from investing activities:				
Purchase of property, plant and equipment		(427)	(1,559)	(3,056)
Purchase of intangible assets	11	(14)	(12)	—
Acquisition of non-controlling interests		—	(3,549)	—
Acquisition of interest in associate	9	—	(13,885)	—
Transfer from/(to) term deposits		(2,775)	2,775	(1,310)
Net cash used in investing activities		(3,216)	(16,230)	(4,366)
Cash flows from financing activities:				
Repayments of finance lease liabilities		—	(10)	(20)
Interest-bearing borrowings		—	—	818
(Disbursements to)/repayments from holding and related companies		(603)	497	4,544
Receipts from/(repayments to) holding and related companies		1,871	8,987	(12,621)
Net cash generated from/(used in) financing activities		1,268	9,474	(7,279)
Net increase/(decrease) in cash and cash equivalents		1,874	1,534	(3,610)
Cash and cash equivalents at beginning of the financial year		3,901	5,916	7,338
Effects of exchange rate changes on the balance of cash and cash equivalents		141	(112)	267
Cash and cash equivalents at end of the financial year	13	5,916	7,338	3,995

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

1. Corporate information

The Company was incorporated in the Republic of Singapore on 2 May 2001 as a private company limited by shares under the name of "Cordlife Pte Ltd". On 16 June 2011, the Company changed its name to "Cordlife Group Limited" in connection with its conversion to a public company limited by shares.

The Company was a wholly-owned subsidiary of Cordlife Limited, a company incorporated in Australia and listed on the Australian Stock Exchange. On the EGM held on 16 June 2011, the shareholders of Cordlife Limited approved a capital reduction exercise by way of a distribution *in specie* of all of the issued share capital of Cordlife Group Limited to its shareholders. The capital reduction exercise took place on 30 June 2011 and Cordlife Group Limited ceased to be a subsidiary of Cordlife Limited.

The Company's registered office and principal place of business is at 61 Science Park Road, The Galen #05-16/17/18, Singapore Science Park II, Singapore 117525.

The principal activities of the Company are investment holding and the provision of cord blood banking services, which involves the processing and storage of stem cells. The principal activities of the subsidiaries are disclosed in Note 24 to the combined financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The Group has adopted all the new and revised standards and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 July 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

The combined financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The combined financial statements are presented in Singapore Dollars (SGD or $), and all values are rounded to the nearest thousand ($'000) except otherwise indicated.

2. Summary of significant accounting policies (continued)

2.2 ***Future changes in accounting policies***

At the date of authorisation of these combined financial statements, the Group has not adopted the following FRS, INT FRS and amendments to FRS that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Revised FRS 24 *Related Party Disclosures*	1 January 2011
Amendments to INT FRS 114 *Prepayments of a Minimum Funding Requirement*	1 January 2011
INT FRS 115 *Agreements for the Construction of Real Estate*	1 January 2011
Amendments to FRS 101 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 July 2011
Amendments to FRS 107 *Financial Instruments: Disclosures — Transfers of Financial Assets*	1 July 2011
Amendments to FRS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets*	1 January 2012
Amendments to FRS 1 *Presentation of Financial Statements —* Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 *Employee Benefits*	1 January 2013
Revised FRS 27 *Separate Financial Statements*	1 January 2013
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2013
FRS 110 *Consolidated Financial Statements*	1 January 2013
FRS 111 *Joint Arrangements*	1 January 2013
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2013
FRS 113 *Fair Value Measurements*	1 January 2013

The directors expect that the adoption of the above pronouncements will have no material impact on the combined financial statements in the period of initial application, except for the revised FRS 24. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.2 ***Future changes in accounting policies (continued)***

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2011.

2.3 ***Basis of combination and consolidation***

Transfer of entities under common control

During the financial year ended 30 June 2011, the Company entered into restructuring agreements which include the acquisition of 100% interest in Cordlife (Hong Kong) Limited (including 10% interest in China Stem Cells (South) Company Limited); and CLS Services Pte Ltd from Cordlife Limited; and the disposal of 100% interest in Cordlife International Pte Ltd and Cordlife Pty Ltd to Cordlife Limited.

The above restructuring involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

— The assets and liabilities of the combining entities are reflected at their carrying amounts.

— No adjustments are made to reflect the fair values, or recognise any new assets or liabilities.

— No goodwill is recognised as a result of the combination.

— Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

— The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

— Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

2. Summary of significant accounting policies (continued)

2.3 ***Basis of combination and consolidation (continued)***

Transfer of entities under common control (continued)

Although the above restructuring agreement was entered into in the financial year ended 30 June 2011, the combined financial statements present the financial position, results of operations and cash flows as if the restructuring had occurred as of the beginning of the earliest period presented.

Business combinations from 1 July 2009

Acquisitions of subsidiaries, other than those under common control, are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.3 ***Basis of combination and consolidation (continued)***

Business combinations before 1 July 2009

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 **Transactions *with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the combined statement of comprehensive income and within equity in the combined statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.5 ***Foreign currency***

The Group's combined financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the combined financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the statement of comprehensive income of the Group on disposal of the foreign operation.

(b) *Group companies*

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their statement of comprehensive income are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive income.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.6 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.17. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	—	3 to 5 years
Lab equipment	—	5 years
Office equipment	—	3 years
Motor vehicle	—	3 years
Leasehold improvement	—	5 to 6 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

2. Summary of significant accounting policies (continued)

2.6 ***Property, plant and equipment (continued)***

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.7 ***Intangible assets***

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Computer software is stated at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

2.8 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.8 ***Impairment of non-financial assets (continued)***

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, an appropriate valuation model is used.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of comprehensive income.

2.9 ***Subsidiaries***

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

2.10 ***Associates***

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the period in which the investment is acquired.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.10 ***Associates (continued)***

The statement of comprehensive income reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of the statement of comprehensive income after tax. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of comprehensive income.

The combined financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the statement of comprehensive income.

2.11 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.11 ***Financial assets (continued)***

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of comprehensive income.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.12 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

2. Summary of significant accounting policies (continued)

2.12 ***Impairment of financial assets (continued)***

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income.

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand and short term deposits that are held for the purpose of meeting short term commitments and not for investment purposes and are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.13 ***Cash and cash equivalents (continued)***

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts that form an integral part of the Group's cash management.

2.14 ***Inventories***

Inventories are stated at the lower of cost and net realisable values, determined on a weighted average cost basis; and consist of collection kit boxes used in the provision of cord blood banking service.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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.

2.15 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, and in the case of other financial liabilities, plus directly attributable transaction costs.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.16 ***Financial liabilities (continued)***

Subsequent measurement

After initial recognition, financial liabilities other than derivatives, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.17 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 ***Employee benefits***

(a) *Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.18 ***Employee benefits (continued)***

(b) *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.

(c) *Employee equity compensation benefits*

Prior to the capital reduction exercise as stated in Note 1, the Group participates in the Cordlife Limited Options and Performance Rights Plan, where certain directors and employees are granted equity-settled options to purchase the shares of Cordlife Limited.

The cost of these equity-settled share options is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black-Scholes Pricing model. In valuing these equity-settled share options, no account is taken of any vesting conditions and there are no conditions linked to the price of the shares of Cordlife Limited (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The charge to the statement of comprehensive income for the period represents the movement in cumulative expense recognised as at the beginning and end of that period.

2.19 ***Leases***

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

As lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income.

2. Summary of significant accounting policies (continued)

2.19 ***Leases (continued)***

As lessee (continued)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 ***Revenue recognition***

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. Revenue is measured at the fair value of the consideration received or receivable, 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 Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from cord blood banking contracts is recognised by reference to the stage of completion of the service. 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 banking contracts are accounted for as deferred revenue on the statement of financial position.

Interest income

Interest income is recognised using the effective interest method.

2.21 ***Income tax***

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date, in the countries where the Group operates and generates taxable income.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.21 ***Income tax (continued)***

Current tax (continued)

Current taxes are recognised in the statement of comprehensive income except to the extent that the tax relates to items recognised either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

— where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

— in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

— where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

— in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

2. Summary of significant accounting policies (continued)

2.21 ***Income tax (continued)***

Deferred tax (continued)

The carrying amount of deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.22 ***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 statement of financial position.

Cash flows are included in the 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.

2. Summary of significant accounting policies (continued)

2.23 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on the information provided to the executive management team (the chief operating decision makers) of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 28, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2. Summary of significant accounting policies (continued)

2.26 ***Related parties***

A party is considered to be related to the Group if:

(a) The party, directly or indirectly through one or more intermediaries,

(i) controls, is controlled by, or is under common control with, the Group;

(ii) has an interest in the Group that gives it significant influence over the Group; or

(iii) has joint control over the Group;

(b) The party is an associate;

(c) The party is a jointly-controlled entity;

(d) The party is a member of the key management personnel of the Group or its parent;

(e) The party is a close member of the family of any individual referred to in (a) or (d); or

(f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Management continually evaluates its judgments and estimates and bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

3. Significant accounting judgments, estimates and assumptions (continued)

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. Due to the large number of debtors, this assessment is based on supportable past collection history and historical write-offs of bad debts. In addition, there are credit control departments in place within the Group to perform recovery procedures and bad debt assessment on a regular and structured basis. When the credit control departments have exhausted all avenues of recovering outstanding debts, appropriate allowances for impairment loss or write-off of trade receivables will be made. Details of the impairment loss allowance are outlined in Note 12.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for equipment). In addition, the condition of the assets are assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in Note 10.

Revenue recognition

The Group recognises revenue from cord blood banking service contracts based on the stage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.20. Significant assumptions and estimates are required in determining the stage of completion, total estimated costs, revenue and deferred revenue. In making the assumptions, the Group evaluates them by relying on past experience and evidence.

4. Revenue

	Years ended 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Rendering of services	22,584	28,163	25,673

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

5. Finance income

	Years ended 30 June		
	2009 $'000	2010 $'000	2011 $'000
Interest income from term deposits	59	140	92
Interest income on long-term trade receivables	588	860	998
	647	1,000	1,090

6. Finance costs

	Years ended 30 June		
	2009 $'000	2010 $'000	2011 $'000
Interest expense	25	46	43

7. Profit before income tax

	Years ended 30 June		
	2009 $'000	2010 $'000	2011 $'000
Profit before income tax is stated after charging/(crediting):			
Salaries and other payroll related costs	4,558	6,237	5,532
Defined contribution plan expenses	285	387	421
Share-based payment expense	141	—	—
Exchange gain	(119)	(231)	(28)
Operating lease expense	353	560	554
Depreciation	285	407	570
Allowance for impairment loss on trade receivables	241	—	126
Bad debts written off	—	133	238
Amortisation of software	42	35	18
Loss on disposal of property, plant and equipment	3	5	15
Impairment loss on/(write-back of) amount owing by related companies	275	103	(203)

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

8. Income tax

The components of income tax expense in the statement of comprehensive income are:

	Years ended 30 June		
	2009 $'000	2010 $'000	2011 $'000
Current income tax:			
Current year provision	1,242	1,529	1,381
Over provision in respect of prior years	(74)	—	(30)
	1,168	1,529	1,351
Deferred income tax:			
Origination and reversal of temporary differences	—	—	107
	1,168	1,529	1,458

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years are as follows:

	Years ended 30 June		
	2009 $'000	2010 $'000	2011 $'000
Profit before income tax	7,709	9,948	9,934
Tax on profit before tax at 17% (2010 and 2009: 17%)	1,311	1,691	1,689
Adjustments:			
Deferred tax assets not recognised in prior year utilised in current year	(61)	(60)	—
Deferred tax assets not recognised	13	15	4
Expenses not deductible for tax purposes	48	57	107
Income not subject to tax	(25)	(70)	(14)
Effect of partial tax exemption	(26)	(26)	(68)
Over provision in prior years	(74)	—	(30)
Share of results of associate	—	(98)	(285)
Others	(18)	20	55
	1,168	1,529	1,458

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

9. Investment in associate

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Movement in carrying amount:			
Investments in associates — at 1 July	—	—	14,462
Additions — China Stem Cells (South) Company Limited	—	13,885	—
Add: Share of profit after tax	—	577	1,675
Translation adjustments	—	—	(1,026)
At 30 June	—	14,462	15,111

The Group has a 10% interest in China Stem Cells (South) Company Limited ("CSC South") and one out of three Board seats at reporting date. CSC South directly owns 100% equity interest in one of the largest cord blood banks in Asia, Municipality Tianhe Nuoya Bio-engineering Co. Ltd ("Nuoya"). Nuoya is the sole licensed cord blood banking operator in Guangdong province and has exclusive and full access to about 1 million new births in the province annually by virtue of the licensing rules in the country. It provides umbilical cord blood collection, processing and cryopreservation services.

The following table illustrates summarised financial information relating to the Group's investment in associate:

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Share of associate's statement of financial position:			
Current assets	—	1,439	3,531
Non-current assets	—	4,149	4,449
Current liabilities	—	(2,565)	(2,355)
Non-current liabilities	—	(560)	(1,658)
Net assets	—	2,463	3,967
Share of associate's results:			
Revenue	—	1,584	3,830
Profit after income tax	—	577	1,675

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

10. Property, plant and equipment

	Furniture and fittings	Lab equipment	Office equipment	Motor Vehicle	Leasehold improvement	Construction-In-Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2009							
Cost:							
At 1 July 2008	350	702	325	—	109	—	1,486
Additions	64	278	85	—	—	—	427
Disposals	—	(1)	(9)	—	—	—	(10)
Exchange rate adjustments	2	9	4	—	8	—	23
At 30 June 2009	416	988	405	—	117	—	1,926
Accumulated depreciation:							
At 1 July 2008	64	467	271	—	69	—	871
Charge for the year	78	139	44	—	24	—	285
Disposals	—	—	(7)	—	—	—	(7)
Exchange rate adjustments	2	6	2	—	5	—	15
At 30 June 2009	144	612	310	—	98	—	1,164
Net book value:							
At 30 June 2009	272	376	95	—	19	—	762

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

10. Property, plant and equipment (continued)

	Furniture and fittings $'000	Lab equipment $'000	Office equipment $'000	Motor Vehicle $'000	Leasehold improvement $'000	Construction-In-Progress $'000	Total $'000
2010							
Cost:							
At 1 July 2009	416	988	405	—	117	—	1,926
Additions	89	260	170	51	1,040	—	1,610
Disposals	—	—	(10)	—	—	—	(10)
Exchange rate adjustments	(2)	(11)	(4)	—	(5)	—	(22)
At 30 June 2010	503	1,237	561	51	1,152	—	3,504
Accumulated depreciation:							
At 1 July 2009	144	612	310	—	98	—	1,164
Charge for the year	90	166	80	4	67	—	407
Disposals	—	—	(5)	—	—	—	(5)
Exchange rate adjustments	(1)	(5)	(2)	—	(6)	—	(14)
At 30 June 2010	233	773	383	4	159	—	1,552
Net book value:							
At 30 June 2010	270	464	178	47	993	—	1,952

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

10. Property, plant and equipment (continued)

	Furniture and fittings $'000	Lab equipment $'000	Office equipment $'000	Motor Vehicle $'000	Leasehold improvement $'000	Construction-In-Progress $'000	Total $'000
2011							
Cost:							
At 1 July 2010	503	1,237	561	51	1,152	—	3,504
Additions	28	234	196	—	7	2,591	3,056
Disposals	—	(7)	(20)	—	—	—	(27)
Exchange rate adjustments	(15)	(50)	(23)	(6)	(132)	—	(226)
At 30 June 2011	516	1,414	714	45	1,027	2,591	6,307
Accumulated depreciation:							
At 1 July 2010	233	773	383	4	159	—	1,552
Charge for the year	116	157	118	16	163	—	570
Disposals	—	—	(12)	—	—	—	(12)
Exchange rate adjustments	(6)	(22)	(11)	(1)	(23)	—	(63)
At 30 June 2011	343	908	478	19	299	—	2,047
Net book value							
At 30 June 2011	173	506	236	26	728	2,591	4,260

Motor vehicle is pledged as security for the related finance lease liabilities (Note 23).

Construction-in-progress is mortgaged to secure the Group's bank loan (Note 19).

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

11. Intangible assets

	Computer software As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Cost:			
At 1 July	126	140	152
Additions	14	12	—
At 30 June	140	152	152
Accumulated amortisation:			
At 1 July	46	88	123
Amortisation for the year	42	35	18
At 30 June	88	123	141
Net carrying amount:	52	29	11

12. Trade receivables

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Trade receivables (current)	9,197	7,763	7,162
Less: Impairment loss	(181)	(202)	(374)
	9,016	7,561	6,788

Trade receivables (current) are non-interest bearing and generally on 30 to 60 day terms. An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired.

Trade receivables (non-current)	17,587	21,222	22,968
Less: Impairment loss	(161)	(140)	(94)
	17,426	21,082	22,874

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

12. Trade receivables (continued)

Movements in the allowance for impairment loss are as follows:

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
At the beginning of the year	101	342	342
Write back for the year:			
Current	(74)	—	—
Non-current	—	—	(46)
Charge for the year:			
Current	154	—	172
Non-current	161	—	—
At the end of the year	342	342	468

The ageing analysis of current trade receivables is as follows:

	Total	0–30 Days	31–60 Days	61–90 Days	>90 Days CI*	>90 days PDNI*
30 June 2009	9,197	4,070	971	965	181	3,010
30 June 2010	7,763	4,592	1,090	639	202	1,240
30 June 2011	7,162	5,821	318	156	374	493

* Past due not impaired ('PDNI')
Considered impaired ('CI')

Non-current trade receivables represents cord blood banking service revenues receivable under annual, five year and ten year 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. An allowance for impairment loss on non-current trade receivables is recognised when there is objective evidence that a trade receivable is impaired. The expected net cash flows have been discounted to their present value using market determined risk adjusted discount for the following entities in the Group:

- Cordlife Group Limited — 10% (2010 and 2009: 10%)
- Cordlife (Hong Kong) Limited — 14% (2010 and 2009: 14%)

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

13. Cash and cash equivalents

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Cash at bank and on hand	6,991	8,175	3,995

Included in cash at bank is $1,629,000 (2010: $3,947,800; 2009: $4,444,700) denominated in HKD, $3,145 (2010: $3,192,800; 2009: $612,400) denominated in AUD and $129,200 (2010: $138,300; 2009: $168,300) denominated in RMB.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

Cash at bank and on hand	6,991	8,175	3,995
Less: Bank overdrafts	(1,075)	(837)	—
Cash and cash equivalents	5,916	7,338	3,995

The Group has a $1,000,000 (2010 and 2009: $2,000,000) overdraft facility. This facility is fully secured and bears interest of 5.25% (2010 and 2009: 5.2%) per annum.

The carrying amount approximates its fair value due to its short term nature.

14. Other financial assets

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Term deposits	2,775	—	1,310

In the year ended 30 June 2009 and 30 June 2011, term deposits were held as security for a bank overdraft facility and have been placed with a bank with a maturity period of more than 3 months as at the respective reporting dates.

In the year ended 30 June 2010, these term deposits were similarly held as security for the bank overdraft facility but are placed for a maturity period of not more than two weeks as at 30 June 2010. Hence, these term deposits were classified as part of cash and cash equivalents.

All term deposits are denominated in AUD.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

15. Other receivables

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Other receivables	253	76	87
Deposits	145	199	108
Tax recoverable	—	181	93
	398	456	288

16. Amount owing by/(to) holding company and related companies

Amounts owing by/(to) holding company and related companies are non-trade related, unsecured, interest-free and repayable on demand.

17. Trade and other payables

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Trade payables	562	515	494
Other payables	—	—	31
Accrued expenses	896	1,372	1,251
Amounts due to staff	185	263	485
	1,643	2,150	2,261

Trade payables and other non-trade payables are non-interest bearing and are normally settled on 30 day terms.

18. Deferred revenue

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

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

19. Interest-bearing borrowings

	As at 30 June		
	2009	**2010**	**2011**
	$'000	**$'000**	**$'000**
Current	—	—	47
Non-current	—	—	771
	—	—	818

This is a SGD bank loan drawn down under an approved $6,450,000 loan facility and secured by a first mortgage over the Group's properties, which are under construction for own business use. Interest rate is stipulated at a fixed rate of 1.5%, 1.98% and 2.38% per annum for the first, second and third years respectively, and 2.28% + 3-month SOR thereafter. The loan is repayable in 240 monthly instalments commencing 1 July 2011.

20. Share capital

	2009		**2010**		**2011**	
	No. of shares in'000	**$'000**	**No. of shares in'000**	**$'000**	**No. of shares in'000**	**$'000**
Issued and fully paid:						
Ordinary shares						
At 1 July and 30 June	40,306	25,677	40,306	25,677	150,887	25,677

On 22 June 2011, the Company issued 110,581,479 ordinary shares ("Bonus Shares") at nil consideration and 1 preference share ("Class A Share") at $1 to Cordlife Limited.

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.

The holder of the preference share is not entitled to receive dividends, and has no voting rights. The preference share ranks in priority over the ordinary shares for the return of assets or capital for $1.00 in the event of any liquidation, dissolution or winding-up of the Company, but shall not thereafter participate in the surplus profits or assets of the Company.

The preference share will be redeemed at $1.00 on the occurrence of the Company listing its securities on a recognised exchange, or the trade sale, merger or takeover of the Company ("Liquidity Event"); and will be automatically redeemed if Cordlife Limited is delisted or disposes of all, or substantially all, of its assets.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

20. Share capital (continued)

Where the Liquidity Event does not occur by 31 March 2012, Cordlife Limited, the holder of the preference share, will have the right (but not obligation) to purchase (and the Company's shareholders are obliged to sell) the Company's shares, representing the entire issued and paid up capital of the Company. In return, Cordlife Limited shall issue and allot such number of ordinary shares to the Company's shareholders in accordance to Article 17E of the Company's Articles of Association.

21. Reserves

Capital reserve

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

Acquisition reserve

Acquisition reserve represents the excess of the consideration over the carrying value when the Group acquired non-controlling interests in Cordlife (Hong Kong) Limited.

Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the combined financial statements of foreign subsidiaries.

Merger reserve

Merger reserve represents the difference between the consideration paid/received and the equity interests acquired/disposed as a result of the restructuring described in Note 2.3.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

22. Earnings per share

The following reflects the income used in the basic and diluted earnings per share computations:

		As at 30 June		
		2009	**2010**	**2011**
		$'000	**$'000**	**$'000**
(a)	***Earnings used in calculating earnings per share***			
	Net profit attributable to owners of the Company	6,185	8,272	8,476
		'000	**'000**	**'000**
(b)	***Weighted average number of shares***			
	Weighted average number of ordinary shares for basic earnings per share *	150,887	150,887	150,887
	Effect of dilution:			
	Outstanding options	—	—	60
	Weighted average number of ordinary shares adjusted for the effect of dilution	150,887	150,887	150,947

* On 22 June 2011, the Company issued 110,581,479 ordinary shares ("Bonus Shares") at nil consideration to Cordlife Limited.

There are no instruments (e.g. share options) excluded from the calculation of diluted earnings per share in the current year that could potentially dilute basic earnings per share in the future. Total anti-dilutive options which could be dilutive in the future was nil as at 30 June 2011 (2010 and 2009: nil).

Except as described in the paragraph below, there have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these combined financial statements.

On 14 May 2011, Cordlife Limited and our Group entered into a Bond Deed with a third party bond holder (the "Bond Holder") pursuant to which, Cordlife Limited secured access to working capital of approximately A$7.4 million. Pursuant to the terms of the Bond Deed, the Bond Holder was granted, *inter alia*, (a) one option, which is exercisable into 21,800,000 shares in the capital of Cordlife Limited at the exercise price of A$0.40 per share and (b) an option, which is exercisable into 21,800,000 Shares of the Company, at no consideration. Pursuant to the terms of the Bond Deed, the option will be automatically exercised into 21,800,000 Shares upon the Company's admission on the Main Board of the SGX-ST.

As at 30 June 2011, the option by the Bond Holder remains outstanding.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

23. Commitments

Capital commitments

The Group has capital commitments in respect of property, plant and equipment that are contracted for as at 30 June 2011 but not recognised in the financial statements aggregating to $5,644,000 (2010 and 2009: nil).

Operating lease commitments

The Group leases office space under non-cancellable lease arrangements which have remaining lease terms ranging from 1 to 6 years. These leases have options to renew for another 5 years.

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

	As at 30 June		
	2009 **$'000**	**2010** **$'000**	**2011** **$'000**
Within one year	385	703	727
After one year but not more than five years	410	2,101	1,372
Over five years	—	185	—
	795	2,989	2,099

Finance lease commitments

Commitments under finance lease are as follows:

	2009		2010		2011	
	Minimum lease payments $'000	**Present value of payments $'000**	**Minimum lease payments $'000**	**Present value of payments $'000**	**Minimum lease payments $'000**	**Present value of payments $'000**
Within one year	—	—	19	17	17	15
After one year but not more than five years	—	—	27	24	7	6
Total minimum lease payments	—	—	46	41	24	21
Less: Amounts representing finance charges	—	—	(5)	—	(3)	—
Present value of minimum lease payments	—	—	41	41	21	21

The weighted average interest rate implicit in the lease is 3.75% (2010: 3.75% and 2009: nil).

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

24. Investment in subsidiary companies

Name of company	Country of incorporation	Principal activities	Percentage of equity held 2009	2010	2011
			%	%	%
Cordlife (M) Sdn Bhd[1]	Malaysia	Dormant (Malaysia)	100	100	100
Cordlife (Hong Kong) Limited[2]	Hong Kong	Cord blood and umbilical cord tissue banking services (Hong Kong)	51	100	100
CLS Services Pte Ltd[3]	Singapore	Dormant (Singapore)	100	100	100
Shanghai Cordlife Stem Cell Research Co., Ltd[4]	People's Republic of China	Dormant (People's Republic of China)	100	100	100

1 Under liquidation

2 Audited by Ernst & Young, Hong Kong

3 Audited by Ernst & Young LLP, Singapore

4 Not required to be audited in the country of incorporation

25. Related party transactions

(a) Significant transactions between the Company and its related companies are as follows:

	Years ended 30 June 2009 $'000	2010 $'000	2011 $'000
Sale of goods to subsidiaries	138	118	52
Sale of goods to related companies	64	68	169
Commission income from related company	—	—	213
Commission expense to related companies	404	466	538
Recharge of staff costs from related companies	1,699	2,333	887
Recharge of rental to related companies	41	62	72

Related companies refer to Cordlife Limited and its subsidiaries prior to the capital reduction exercise on 30 June 2011 as described in Note 1.

Included in "recharge of staff costs from related companies" is compensation paid to key management personnel of the Company.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

25. Related party transactions (continued)

(b) Compensation of key management personnel

	Years ended 30 June		
	2009 **$'000**	**2010** **$'000**	**2011** **$'000**
Salaries and bonuses	184	187	185
Defined contribution plans	12	11	12
Other short-term benefits	21	21	26
Share-based payments	21	—	—
Directors' fees	—	—	3
	238	219	226
Comprise amounts paid to:			
Director of the Company	—	—	3
Other key management personnel	238	219	223
	238	219	226

26. Financial risk management

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks as summarised below:

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents and term deposits), the Group minimise credit risk by dealing with high credit rating counterparties. The Group's maximum exposure to credit risk is represented by the carrying amount of these financial assets.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

26. Financial risk management (continued)

Credit risk (continued)

Trade receivables comprise amounts due from parents and therefore the individuals cannot be subject to the types of credit assessments that could be otherwise undertaken if dealing with a corporate entity. To mitigate credit risk, receivable balances are monitored on a regular basis with the result that the Group's exposure to bad debts to date has not been significant. The nature of the cord blood banking business whereby the child's umbilical cord stem cells are stored with the Group reduces the likelihood of default in payment.

There are no significant concentrations of credit risk within the Group.

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 key exposure to market interest rate risk is from the Group's cash and cash equivalents and other financial assets which relate to term deposits of varying maturity periods placed with reputable banks and financial institutions.

The Group manages its interest rate risks on its interest income by placing cash balances in deposits of varying maturities to access the strongest interest rates available and conserve the capital base of those funds. The details of cash balances available to meet short term commitments is disclosed in Note 13. Cash held as security against a bank overdraft facility is disclosed in Note 14.

The Group will also be subject to fair value risk on its long term receivables in future. This is a direct result of carrying them at amortised cost using an effective interest rate that is likely to differ from market interest rates during the term of the cord blood banking service plans in place.

Movements in interest rates will therefore have an impact on the Group. At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit/loss and equity would have been affected as follows:

	Net profit Higher/(lower)			**Equity Higher/(lower)**		
	2009 $'000	**2010 $'000**	**2011 $'000**	**2009 $'000**	**2010 $'000**	**2011 $'000**
Judgements of reasonably possible movements:						
+ 1% (100 basis points)	87	73	53	87	73	53
– 0.5% (50 basis points)	(43)	(37)	(27)	(43)	(37)	(27)

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

26. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain adequate funding to meet the operating requirements of the business and to facilitate the Group's growth plans.

The Group's liquidity risk management policy is to maintain sufficient liquid financial assets.

At reporting date, the Group has cash and cash equivalents and term deposits of $5,304,745 (2010: $7,337,882; 2009: $8,691,468) and unused credit facilities available for its immediate use of $1,000,000 (2010: $1,162,723; 2009: $925,392). Hence, the Group's exposure to liquidity risk is minimal.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less	One to five years	Over five years	Total
	$'000	$'000	$'000	$'000
30 June 2009				
Financial liabilities				
Trade and other payables	1,643	—	—	1,643
Amount owing to holding company	3,289	—	—	3,289
Amount owing to related companies	344	—	—	344
Total undiscounted financial liabilities	5,276	—	—	5,276
30 June 2010				
Financial liabilities				
Trade and other payables	2,150	—	—	2,150
Amount owing to holding company	12,370	—	—	12,370
Amount owing to related companies	251	—	—	251
Finance lease liabilities	19	27	—	46
Total undiscounted financial liabilities	14,790	27	—	14,817

26. Financial risk management (continued)

Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	One year or less $'000	One to five years $'000	Over five years $'000	Total $'000
30 June 2011				
Financial liabilities				
Trade and other payables	2,261	—	—	2,261
Finance lease liabilities	17	7	—	24
Interest-bearing borrowings	47	201	762	1,010
Total undiscounted financial liabilities	2,325	208	762	3,295

27. Fair value of financial assets and financial liabilities

Management has determined that the carrying amounts of cash and cash equivalents, other financial assets, trade and other receivables, amount owing by/(to) holding company, amounts owing by/(to) related companies, trade and other payables and bank overdraft, based on their notional amounts, reasonably approximate their fair values because of their short term nature.

The carrying amount of long term trade receivables approximates their fair values as these amounts have been discounted to their present value using market determined risk adjusted discount rates for the Group.

Interest-bearing borrowings carry interest which approximates market interest rate. Accordingly their notional amounts approximate their fair value.

28. Segment reporting

For management reporting purposes, the Group is organised into two reportable segments as follows:

- North Asia consists of customers from Hong Kong, China and Macau. It also includes the Group's share of associate's results.
- South Asia consists of customers from Singapore, the Philippines and Indonesia.

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 long-term trade receivables.
- Income taxes that are managed on a group basis.
- Subsidiaries not in the principal activity of the provision of cord blood banking services.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

28. Segment reporting (continued)

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

Segment revenue

	North Asia $'000	South Asia $'000	Others $'000	Total $'000
Year ended 30 June 2011				
Revenue from external customers	6,459	19,214	—	25,673
Total consolidated revenue				25,673
Year ended 30 June 2010				
Revenue from external customers	7,873	20,290	—	28,163
Total consolidated revenue				28,163
Year ended 30 June 2009				
Revenue from external customers	5,741	16,843	—	22,584
Total consolidated revenue				22,584

Segment results

	Years ended 30 June		
	2009 $'000	2010 $'000	2011 $'000
Segment profit:			
— North Asia	784	810	1,586
— South Asia	6,893	9,039	8,250
	7,677	9,849	9,836
Unallocated income/expenses:			
Interest income	59	140	92
Other unallocated*	(27)	(41)	6
Profit before income tax expense	7,709	9,948	9,934
Income tax expense	(1,168)	(1,529)	(1,458)
Total net profit for the year	6,541	8,419	8,476

* Other unallocated refers to results of subsidiaries not in the principal activity of the provision of cord blood banking services.

Cordlife Group Limited and its Subsidiaries

Notes to the Combined Financial Statements
For the financial years ended 30 June 2009, 2010 and 2011

28. Segment reporting (continued)

Segment assets and liabilities

	Assets $'000	Liabilities $'000
30 June 2011		
Segment assets and liabilities:		
— North Asia	19,341	5,144
— South Asia	36,745	8,390
Tax recoverable/payable	93	2,044
Deferred tax liabilities	—	132
Eliminations+	(902)	(908)
Others*	114	35
Consolidated	55,391	14,837
30 June 2010		
Segment assets and liabilities:		
— North Asia	21,484	18,214
— South Asia	50,842	19,166
Tax recoverable/payable	181	2,158
Deferred tax liabilities	—	31
Eliminations+	(57)	(58)
Others*	211	139
Consolidated	72,661	39,650
30 June 2009		
Segment assets and liabilities:		
— North Asia	6,196	3,183
— South Asia	36,760	9,453
Tax payable	—	2,187
Eliminations+	(502)	(508)
Others*	250	136
Consolidated	42,704	14,451

+ Inter-segment balances are eliminated on consolidation.

* Others refer to the assets and liabilities of subsidiaries not in the principal activity of the provision of cord blood banking services.

29. Capital management

Capital comprise of 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 light of changes in economic conditions. To maintain or adjust the capital structure, the Group may obtain gearing through loans and borrowings. No changes were made in the objectives, policies or processes during the years ended 30 June 2009, 2010 and 2011.

The Group is currently in net cash position. The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

30. Change of name

With effect from 16 June 2011, the Company changed its name from Cordlife Pte Ltd to Cordlife Group Limited.

31. Subsequent events

On 7 March 2012, the Group entered into a subscription agreement with CS Cell Technologies Pte Ltd ("CSCT"), an unrelated third party, which holds 85% of Cordlife Sciences India Pvt. Ltd. ("Cordlife India"), pursuant to which the Group will invest S$1.5 million in CSCT, through the subscription of the Bonds issued by CSCT. The investment amount of S$1.5 million is intended for the expansion of operations of CSCT and Cordlife India only. This sum will be financed by the internally generated funds of the Company. The remaining 15.0% interest in Cordlife India is held by an unrelated third party.

Pursuant to the terms of the subscription agreement, the investment amount will be contributed in one tranche. The Bonds issued by CSCT have an aggregate redemption value ("**Redemption Value**") of approximately S$2.2 million upon its maturity at the end of two years from the issue date, and such Redemption Value was computed taking into account a 20.0% yield per annum, compounding on the anniversary of the issue date of the bond, in respect of the issue price of S$1.5 million.

The Bonds may be redeemed or converted prior to maturity at the option and discretion of the Board of Directors, after taking into consideration the management's recommendations.

Pursuant to the terms and conditions of the Bonds, if the Bonds are redeemed prior to maturity, the early redemption yield will be 20.0% per annum of the investment amount of S$1.5 million, compounding on each anniversary of the closing date (calculated from the bond issue date until the date of redemption).

31. Subsequent events (continued)

The Group may, at our discretion, convert the Bonds prior to the maturity date at any time after the date falling six months after the bond issue date, by issuing a conversion notice to CSCT, which shall issue new ordinary shares of CSCT to us within 60 days of receipt of such notice. The number of new ordinary shares of CSCT to be issued to us will depend on the value of the Bonds and the conversion price of such ordinary shares of CSCT. The value of the Bonds at the time of conversion shall be 20.0% on the investment amount (being S$1.5 million) compounding on each anniversary of the bond issue date, in addition to the investment amount (being S$1.5 million). The conversion price of such ordinary shares of CSCT will depend on the share capital of CSCT multiplied by a factor 1.8, and divided by the total number of outstanding ordinary shares of CSCT at the relevant time.

Upon subscription, the Bonds would convert into approximately 30% of the total outstanding shares of CSCT, assuming that the Bonds are converted at maturity. This may increase or decrease at the actual time of conversion should CSCT issue new shares or cancel any existing shares prior to maturity. However, the total number of ordinary shares of CSCT to be issued on conversion shall not exceed 30.0% of the total outstanding shares of CSCT. The remaining value of the Bonds, if any, shall be redeemed for in cash.

For so long as the Bonds remain outstanding, our Group shall have the right to appoint one member to the board of directors of CSCT and restrict CSCT from issuing new shares.

32. Authorisation of combined financial statements for issue

The combined financial statements for the financial years ended 30 June 2009, 2010 and 2011 were authorised for issue in accordance with a resolution of the directors on 21 March 2012.

Company Registration No. 200102883E

Cordlife Group Limited and its Subsidiaries

Interim Combined Financial Statements
for the three-month period ended 30 September 2011

Cordlife Group Limited and its Subsidiaries

Statement by Directors

We, Dr Ho Choon Hou and Yee Pinh Jeremy, being two of the directors of Cordlife Group Limited (the "**Company**"), do hereby state that, in the opinion of the directors:

(a) the accompanying unaudited interim combined financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 30 September 2011 and the results of the business, changes in equity and cash flows of the Group for the period ended on that date, 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.

On behalf of the Board of Directors

Dr Ho Choon Hou
Director

Yee Pinh Jeremy
Director

Singapore
21 March 2012

Cordlife Group Limited and its Subsidiaries

Independent Auditors' Report on Review of Combined Interim Financial Statements of Cordlife Group Limited for the three-month period ended 30 September 2011

21 March 2012

The Board of Directors
Cordlife Group Limited

Dear Sirs:

Introduction

We have reviewed the accompanying interim combined statement of financial position of Cordlife Group Limited and its subsidiaries (collectively the 'Group') as at 30 September 2011 and the related interim combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Singapore Financial Reporting Standard FRS 34 Interim Financial Reporting (FRS 34). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 30 September 2011 and of its financial performance and its cash flows for the three-month period then ended in accordance with FRS 34.

Other Matters

This Report has been prepared solely for inclusion in the Prospectus dated 21 March 2012 in connection with the proposed listing of the Company's shares on the Singapore Exchange Securities Trading Limited.

Ernst & Young LLP

Public Accountants and
Certified Public Accountants
Singapore
Partner-in-charge: Tan Swee Ho

Cordlife Group Limited and its Subsidiaries

Interim Combined Statement of Comprehensive Income
For the three-month period ended 30 September 2011

	Note	Three-month period ended 30 September	
		2010 $'000 (Unaudited)	**2011 $'000 (Unaudited)**
Revenue from the rendering of services	4	6,214	7,272
Cost of sales		(1,854)	(2,237)
Gross profit		4,360	5,035
Other operating income		95	45
Selling and marketing expenses		(1,330)	(1,730)
Administrative expenses		(1,184)	(1,849)
Share of results of associate		322	404
Finance income	5	187	250
Finance costs	6	(31)	—
Profit before income tax	7	2,419	2,155
Income tax	8	(480)	(300)
Profit for the period, net of tax		1,939	1,855
Other comprehensive income			
Foreign currency translation		(30)	582
Total comprehensive income for the period, net of tax		1,909	2,437
Earnings per share for profits attributable to owners of the Company:			
Basic EPS (cents per share)	22	1.28	1.23
Diluted EPS (cents per share)	22	1.28	1.07

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Interim Combined Statement of Financial Position
As at 30 September 2011

	Note	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Non-current assets			
Investment in associate	9	15,111	16,116
Property, plant and equipment	10	4,260	4,643
Intangible assets	11	11	23
Trade receivables	12	22,874	23,502
Deposits		208	217
		42,464	44,501
Current assets			
Cash and cash equivalents	13	3,995	4,743
Other financial assets	14	1,310	1,269
Trade receivables	12	6,788	6,116
Other receivables	15	288	753
Prepayments	16	318	442
Inventories		228	327
		12,927	13,650
Current liabilities			
Trade and other payables	17	2,261	2,334
Deferred revenue	18	3,675	3,047
Tax payable		2,044	2,002
Finance lease liabilities	23	15	15
Interest-bearing borrowings	19	47	61
		8,042	7,459
Net current assets		4,885	6,191

Cordlife Group Limited and its Subsidiaries

Interim Combined Statement of Financial Position
As at 30 September 2011

	Note	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Non-current liabilities			
Deferred revenue	18	5,886	6,411
Finance lease liabilities	23	6	3
Deferred tax liabilities		132	136
Interest-bearing borrowings	19	771	1,151
		6,795	7,701
Net assets		40,554	42,991
Capital and reserves			
Share capital	20	25,677	25,677
Accumulated profit		16,933	18,788
Reserves	21	(2,056)	(1,474)
		40,554	42,991

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Interim Combined Statement of Changes in Equity
For the three-month period ended 30 September 2011

	Share capital $'000	Accumulated profit $'000	Capital reserve $'000	Merger reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Total $'000
(Unaudited)							
Balance at 1 July 2010	25,677	8,457	568	534	(2,184)	(41)	33,011
Profit for the period	—	1,939	—	—	—	—	1,939
Other comprehensive income	—	—	—	—	—	(30)	(30)
Total comprehensive income for the period, net of tax	—	1,939	—	—	—	(30)	1,909
Balance at 30 September 2010	25,677	10,396	568	534	(2,184)	(71)	34,920
(Unaudited)							
Balance at 1 July 2011	25,677	16,933	568	534	(2,184)	(974)	40,554
Profit for the period	—	1,855	—	—	—	—	1,855
Other comprehensive income	—	—	—	—	—	582	582
Total comprehensive income for the period, net of tax	—	1,855	—	—	—	582	2,437
Balance at 30 September 2011	25,677	18,788	568	534	(2,184)	(392)	42,991

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Interim Combined Statement of Cash Flows
For the three-month period ended 30 September 2011

	Note	Three-month period ended 30 September	
		2010	**2011**
		$'000	**$'000**
		(Unaudited)	**(Unaudited)**
Cash flows from operating activities:			
Profit before income tax		2,419	2,155
Adjustments for:			
Depreciation	7	143	142
Amortisation of software	7	5	3
Loss on disposal of property, plant and equipment	7	8	—
Interest income	5	(18)	(17)
Interest expense	6	31	—
Write-back of amount owing by related companies	7	(286)	—
Share of results of associate		(322)	(404)
Operating profit before working capital changes		1,980	1,879
Changes in working capital:			
Decrease in trade receivables		745	44
Decrease/(increase) in deposits, other receivables and prepayments		49	(594)
Increase in inventories		(2)	(99)
Increase in trade payables		34	195
Decrease in other payables		(175)	(122)
Decrease in deferred revenue		(425)	(103)
Cash generated from operations		2,206	1,200
Interest received		18	17
Interest paid		(31)	—
Income tax paid		(281)	(342)
Cash generated from operating activities		1,912	875
Cash flows from investing activities:			
Purchase of property, plant and equipment	10	(197)	(478)
Purchase of intangible assets	11	—	(15)
Net cash used in investing activities		(197)	(493)
Cash flows from financing activities:			
Repayments of finance lease liabilities		(6)	(3)
Proceeds from interest-bearing borrowings		—	406
Repayment of interest-bearing borrowings		—	(12)
Disbursements to holding and related companies		(5,096)	—
Repayments to holding and related companies		(1,440)	—
Net cash (used in)/generated from financing activities		(6,542)	391
Net (decrease)/increase in cash and cash equivalents		(4,827)	773
Cash and cash equivalents at beginning of the period		7,338	3,995
Effects of exchange rate changes on the balance of cash and cash equivalents		29	(25)
Cash and cash equivalents at end of the period	13	2,540	4,743

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

1. Corporate information

The Company was incorporated in the Republic of Singapore on 2 May 2001 as a private company limited by shares under the name of "Cordlife Pte Ltd". On 16 June 2011, the Company changed its name to "Cordlife Group Limited" in connection with its conversion to a public company limited by shares.

The Company was a wholly-owned subsidiary of Cordlife Limited, a company incorporated in Australia and listed on the Australian Stock Exchange. On the EGM held on 16 June 2011, the shareholders of Cordlife Limited approved a capital reduction exercise by way of a distribution *in specie* of all of the issued share capital of Cordlife Group Limited to its shareholders. The capital reduction exercise took place on 30 June 2011 and Cordlife Group Limited ceased to be a subsidiary of Cordlife Limited.

The Company's registered office and principal place of business is at 61 Science Park Road, The Galen #05-16/17/18, Singapore Science Park II, Singapore 117525.

The principal activities of the Company are investment holding and the provision of cord blood banking services, which involves the processing and storage of stem cells. The principal activities of the subsidiaries are disclosed in Note 24 to the interim combined financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The interim combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") 34. The accounting policies adopted and the methods of computation followed in the interim combined financial statements are consistent with the Group's audited combined financial statements for 30 June 2011. The Group has adopted all the new and revised standards and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2011. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

The interim combined financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The interim combined financial statements are presented in Singapore Dollars (SGD or $), and all values are rounded to the nearest thousand ($'000) except otherwise indicated.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

2. Summary of significant accounting policies (continued)

2.2 ***Future changes in accounting policies***

At the date of authorisation of these interim combined financial statements, the Group has not adopted the following FRS, INT FRS and amendments to FRS that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets*	1 January 2012
Amendments to FRS 1 *Presentation of Financial Statements* — Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 *Employee Benefits*	1 January 2013
Revised FRS 27 *Separate Financial Statements*	1 January 2013
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2013
FRS 110 *Consolidated Financial Statements*	1 January 2013
FRS 111 *Joint Arrangements*	1 January 2013
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2013
FRS 113 *Fair Value Measurements*	1 January 2013

The directors expect that the adoption of the above pronouncements will have no material impact on the combined financial statements in the period of initial application.

2.3 ***Basis of combination and consolidation***

Transfer of entities under common control

During the financial year ended 30 June 2011, the Company entered into restructuring agreements which include the acquisition of 100% interest in Cordlife (Hong Kong) Limited (including 10% interest in China Stem Cells (South) Company Limited), and CLS Services Pte Ltd from Cordlife Limited, and the disposal of 100% interests in Cordlife International Pte Ltd and Cordlife Pty Ltd to Cordlife Limited.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

2. Summary of significant accounting policies (continued)

2.3 ***Basis of combination and consolidation (continued)***

Transfer of entities under common control (continued)

The above restructuring involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

— The assets and liabilities of the combining entities are reflected at their carrying amounts.

— No adjustments are made to reflect the fair values, or recognise any new assets or liabilities.

— No goodwill is recognised as a result of the combination.

— Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

— The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

— Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

Although the above restructuring agreement was entered into in the financial year ended 30 June 2011, the combined financial statements present the financial position, results of operations and cash flows as if the restructuring had occurred as of the beginning of the earliest period presented.

Business combinations from 1 July 2009

Acquisitions of subsidiaries, other than those under common control, are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

2. Summary of significant accounting policies (continued)

2.3 ***Basis of combination and consolidation (continued)***

Business combinations from 1 July 2009 (continued)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 July 2009

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2. Summary of significant accounting policies (continued)

2.4 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the combined statement of comprehensive income and within equity in the combined statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.5 *Foreign currency*

The Group's combined financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the combined financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the statement of comprehensive income of the Group on disposal of the foreign operation.

2. Summary of significant accounting policies (continued)

2.5 ***Foreign currency (continued)***

(b) *Group companies*

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their statement of comprehensive income are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive income.

2.6 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.17. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	—	3 to 5 years
Lab equipment	—	5 years
Office equipment	—	3 years
Motor vehicle	—	3 years
Leasehold improvement	—	5 to 6 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

2. Summary of significant accounting policies (continued)

2.6 ***Property, plant and equipment (continued)***

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.7 ***Intangible assets***

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Computer software is stated at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

2.8 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

2. Summary of significant accounting policies (continued)

2.8 ***Impairment of non-financial assets (continued)***

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of comprehensive income.

2.9 ***Subsidiaries***

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

2.10 ***Associates***

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the period in which the investment is acquired.

2. Summary of significant accounting policies (continued)

2.10 ***Associates (continued)***

The statement of comprehensive income reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of the statement of comprehensive income after tax. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of comprehensive income.

The combined financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the statement of comprehensive income.

2.11 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (continued)

2.11 ***Financial assets (continued)***

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follow:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of comprehensive income.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.12 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (continued)

2.12 ***Impairment of financial assets (continued)***

Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income.

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand and short term deposits that are held for the purpose of meeting short term commitments and not for investment purposes and are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts that form an integral part of the Group's cash management.

2. Summary of significant accounting policies (continued)

2.14 *Inventories*

Inventories are stated at the lower of cost and net realisable value, determined on a weighted average cost basis; and consist of collection kit boxes used in the provision of cord blood banking service.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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.

2.15 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities other than derivatives, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (continued)

2.16 ***Financial liabilities (continued)***

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.17 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 ***Employee benefits***

(a) *Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) *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.

2. Summary of significant accounting policies (continued)

2.18 ***Employee benefits (continued)***

(c) *Employee equity compensation benefits*

Prior to the capital reduction exercise as stated in Note 1, the Group participates in the Cordlife Limited Options and Performance Rights Plan, where certain directors and employees are granted equity-settled options to purchase the shares of Cordlife Limited.

The cost of these equity-settled share options is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black-Scholes Pricing model. In valuing these equity-settled share options, no account is taken of any vesting conditions and there are no conditions linked to the price of the shares of Cordlife Limited (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The charge to the statement of comprehensive income for the period represents the movement in cumulative expense recognised as at the beginning and end of that period.

2.19 ***Leases***

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

As lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2. Summary of significant accounting policies (continued)

2.19 ***Leases (continued)***

As lessee (continued)

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 ***Revenue recognition***

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. Revenue is measured at the fair value of the consideration received or receivable, 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 Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from cord blood banking contracts is recognised by reference to the stage of completion of the service. 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 banking contracts are accounted for as deferred revenue on the statement of financial position.

Interest income

Interest income is recognised using the effective interest method.

2.21 ***Income tax***

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date, in the countries where the Group operates and generates taxable income.

2. Summary of significant accounting policies (continued)

2.21 *Income tax (continued)*

Current tax (continued)

Current taxes are recognised in the statement of comprehensive income except to the extent that the tax relates to items recognised either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

— where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

— in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

— where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

— in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

2. Summary of significant accounting policies (continued)

2.21 *Income tax (continued)*

Deferred tax (continued)

The carrying amount of deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.22 *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 statement of financial position.

Cash flows are included in the 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.

2. Summary of significant accounting policies (continued)

2.23 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on the information provided to the executive management team (the chief operating decision makers) of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 28, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2. Summary of significant accounting policies (continued)

2.26 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management of the Group or Company or a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointed controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Management continually evaluates its judgments and estimates and bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

3. Significant accounting judgments, estimates and assumptions (continued)

Management has identified the following accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the combined financial statements.

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. Due to the large number of debtors, this assessment is based on supportable past collection history and historical write-offs of bad debts. In addition, there are credit control departments in place within the Group to perform recovery procedures and bad debt assessment on a regular and structured basis. When the credit control departments have exhausted all avenues of recovering outstanding debts, appropriate allowances for impairment loss or write-off of trade receivables will be made. Details of the impairment loss allowance are outlined in Note 12.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for equipment). In addition, the condition of the assets are assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in Note 10.

Revenue recognition

The Group recognises revenue from cord blood banking service contracts based on the stage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.20. Significant assumptions and estimates are required in determining the stage of completion, total estimated costs, revenue and deferred revenue. In making the assumptions, the Group evaluates them by relying on past experience and evidence.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

4. Revenue

	Three-month period ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
Rendering of services	6,214	7,272

5. Finance income

	Three-month period ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
Interest income from term deposits	18	17
Interest income on long-term trade receivables	169	233
	187	250

6. Finance costs

	Three-month period ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
Interest expense	31	—

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

7. Profit before income tax

	Three-month period ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
Profit before income tax is stated after charging/(crediting):		
Salaries and other payroll related costs	1,294	1,491
Defined contribution plan expenses	100	128
Exchange loss	19	37
Operating lease expense	172	140
Depreciation	143	142
Bad debts written off	122	20
Amortisation of software	5	3
Loss on disposal of property, plant and equipment	8	—
Write-back of amount owing by related companies	(286)	—
IPO expenses	—	286

8. Income tax

The components of income tax expense in the statement of comprehensive income are:

	Three-month period ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
Current income tax:		
Current year provision	338	300
Deferred income tax:		
Under provision in prior years	157	—
Origination and reversal of temporary differences	(15)	—
	480	300

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

8. Income tax (continued)

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years are as follows:

	Three-month period ended 30 September	
	2010 **$'000** **(Unaudited)**	**2011** **$'000** **(Unaudited)**
Profit before income tax	2,419	2,155
Tax on profit before tax at 17% (2010: 17%)	411	366
Adjustments:		
Deferred tax assets not recognised in prior year utilised in current year	—	(6)
Deferred tax assets not recognised	27	—
Under provision in prior years	157	—
Expenses not deductible for tax purposes	—	56
Income not subject to tax	(7)	—
Effect of partial tax exemption	(55)	(68)
Share of results of associate	(55)	(69)
Others	2	21
	480	300

9. Investment in associate

	30 June 2011 **$'000** **(Audited)**	**30 September 2011** **$'000** **(Unaudited)**
Movement in carrying amount:		
At the beginning of the year/period	14,462	15,111
Add: Share of profit after tax	1,675	404
Translation adjustments	(1,026)	601
At the end of the year/period	15,111	16,116

9. Investment in associate (continued)

The Group has a 10% interest in China Stem Cells (South) Company Limited ("CSC South") and one out of three Board seats at reporting date. CSC South directly owns 100% equity interest in one of the largest cord blood banks in Asia, Municipality Tianhe Nuoya Bio-engineering Co. Ltd ("Nuoya"). Nuoya is the sole licensed cord blood banking operator in Guangdong province and has exclusive and full access to about 1 million new births in the province annually by virtue of the licensing rules in the country. It provides umbilical cord blood collection, processing and cryopreservation services.

The following table illustrates summarised financial information relating to the Group's investment in associate:

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Share of associate's statement of financial position:		
Current assets	3,531	3,477
Non-current assets	4,449	4,670
Current liabilities	(2,355)	(1,180)
Non-current liabilities	(1,658)	(2,385)
Net assets	3,967	4,582
Share of associate's results:		
Revenue	3,752	983
Profit after income tax	1,675	404

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

10. Property, plant and equipment

	Furniture and fittings $'000	Lab equipment $'000	Office equipment $'000	Motor Vehicle $'000	Leasehold improvement $'000	Construction-In-Progress $'000	Total $'000
(Audited)							
30 June 2011							
Cost:							
At 1 July 2010	503	1,237	561	51	1,152	—	3,504
Additions	28	234	196	—	7	2,591	3,056
Disposals	—	(7)	(20)	—	—	—	(27)
Exchange rate adjustments	(15)	(50)	(23)	(6)	(132)	—	(226)
At 30 June 2011	516	1,414	714	45	1,027	2,591	6,307
Accumulated depreciation:							
At 1 July 2010	233	773	383	4	159	—	1,552
Charge for the year	116	157	118	16	163	—	570
Disposals	—	—	(12)	—	—	—	(12)
Exchange rate adjustments	(6)	(22)	(11)	(1)	(23)	—	(63)
At 30 June 2011	343	908	478	19	299	—	2,047
Net book value							
At 30 June 2011	173	506	236	26	728	2,591	4,260

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

10. Property, plant and equipment (continued)

	Furniture and fittings $'000	Lab equipment $'000	Office equipment $'000	Motor Vehicle $'000	Leasehold improvement $'000	Construction-In-Progress $'000	Total $'000
(Unaudited)							
30 September 2011							
Cost:							
At 1 July 2011	516	1,414	714	45	1,027	2,591	6,307
Additions	—	18	54	—	—	406	478
Exchange rate adjustments	5	19	12	2	44	—	82
At 30 September 2011	521	1,451	780	47	1,071	2,997	6,867
Accumulated depreciation:							
At 1 July 2011	343	908	478	19	299	—	2,047
Charge for the period	32	36	35	4	35	—	142
Exchange rate adjustments	3	10	6	1	15	—	35
At 30 September 2011	378	954	519	24	349	—	2,224
Net book value							
At 30 September 2011	143	497	261	23	722	2,997	4,643

Motor vehicle is pledged as security for the related finance lease liabilities (Note 23).
Construction-in-progress is mortgaged to secure the Group's bank loan (Note 19).

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

11. Intangible assets

	Computer software	
	30 June 2011 $'000 (Audited)	**30 September 2011 $'000 (Unaudited)**
Cost:		
At 1 July	152	152
Additions	—	15
At end of period	152	167
Accumulated amortisation:		
At 1 July	123	141
Amortisation for the period	18	3
At end of period	141	144
Net carrying amount:	11	23

12. Trade receivables

	30 June 2011 $'000 (Audited)	**30 September 2011 $'000 (Unaudited)**
Trade receivables (current)	7,162	6,490
Less: Impairment loss	(374)	(374)
	6,788	6,116

Trade receivables (current) are non-interest bearing and generally on 30 to 60 day terms. An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired.

Trade receivables (non-current)	22,968	23,596
Less: Impairment loss	(94)	(94)
	22,874	23,502

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

12. Trade receivables (continued)

Movements in the allowance for impairment loss are as follows:

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
At the beginning of the year/period	342	468
Write back for the year/period		
Non-current	(46)	—
Charge for the year/period:		
Current	172	—
At the end of the year/period	468	468

The ageing analysis of current trade receivables is as follows:

	Total	0–30 days	31– 60 days	61–90 days	>90 days CI*	>90 Days PDNI *
30 June 2011	7,162	5,821	318	156	374	493
30 September 2011	6,490	5,338	314	108	374	356

* Past due not impaired ('PDNI')
Considered impaired ('CI')

Non-current trade receivables represents cord blood banking service revenues receivable under annual, five year and ten year 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. An allowance for impairment loss on non-current trade receivables is recognised when there is objective evidence that a trade receivable is impaired. The expected net cash flows have been discounted to their present value using market determined risk adjusted discount for the following entities in the Group:

- Cordlife Group Limited — 10% (30 June 2011: 10%)
- Cordlife (Hong Kong) Limited — 14% (30 June 2011: 14%)

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

13. Cash and cash equivalents

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Cash at bank and on hand	3,995	4,743

Included in cash at bank is $1,865,000 (30 June 2011: $1,629,000) denominated in HKD, $3,000 (30 June 2011: $3,145) denominated in AUD and $137,000 (30 June 2011: $129,200) denominated in RMB.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

Cash at bank and on hand	3,995	4,743
Less: Bank overdrafts	—	—
Cash and cash equivalents	3,995	4,743

The Group has a $1,000,000 (30 June 2011: $1,000,000) overdraft facility. This facility is fully secured and bears interest of 5.25% (30 June 2011: 5.25%) per annum.

The carrying amount approximates its fair value due to its short term nature.

14. Other financial assets

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Term deposits	1,310	1,269

Term deposits were held as security for a bank overdraft facility and have been placed with a bank with a maturity period of more than 3 months as at the respective reporting dates.

All term deposits are denominated in AUD.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

15. Other receivables

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Other receivables	87	545
Deposits	108	111
Tax recoverable	93	97
	288	753

16. Prepayments

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Prepayments	318	342
Deferred IPO costs	—	100
	318	442

17. Trade and other payables

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Trade payables	494	689
Other payables	31	69
Accrued expenses	1,251	1,253
Amounts due to staff	485	323
	2,261	2,334

Trade payables and other non-trade payables are non-interest bearing and are normally settled on 30 day terms.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

18. Deferred revenue

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

19. Interest-bearing borrowings

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Current	47	61
Non-current	771	1,151
	818	1,212

This is a SGD bank loan secured by a first mortgage over the Group's properties, which are under construction for own business use. Interest rate is stipulated at a fixed rate of 1.5%, 1.98% and 2.38% per annum for the first, second and third years respectively, and 2.28% + 3-month SOR thereafter. The loan is repayable in 240 monthly instalments commencing 1 July 2011.

20. Share capital

	30 June 2011		30 September 2011	
	No. of shares in'000	$'000	No. of shares in'000	$'000
	(Audited)		(Unaudited)	
Issued and fully paid:				
Ordinary shares				
At end of year/period	150,887	25,677	150,887	25,677

On 22 June 2011, the Company issued 110,581,479 ordinary shares ("Bonus Shares") at nil consideration and 1 preference share ("Class A Share") at $1 to Cordlife Limited.

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.

The holder of the preference share is not entitled to receive dividends, and has no voting rights. The preference share ranks in priority over the ordinary shares for the return of assets or capital for $1.00 in the event of any liquidation, dissolution or winding-up of the Company, but shall not thereafter participate in the surplus profits or assets of the Company.

20. Share capital (continued)

The preference share will be redeemed at $1.00 on the occurrence of the Company listing its securities on a recognised exchange, or the trade sale, merger or takeover of the Company ("Liquidity Event"); and will be automatically redeemed if Cordlife Limited is delisted or disposes of all, or substantially all, of its assets.

Where the Liquidity Event does not occur by 31 March 2012, Cordlife Limited, the holder of the preference share, will have the right (but not obligation) to purchase (and the Company's shareholders are obliged to sell) the Company's shares, representing the entire issued and paid up capital of the Company. In return, Cordlife Limited shall issue and allot such number of ordinary shares to the Company's shareholders in accordance to Article 17E of the Company's Articles of Association.

21. Reserves

Capital reserve

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

Acquisition reserve

Acquisition reserve represents the excess of the consideration over the carrying value when the Group acquired non-controlling interests in Cordlife (Hong Kong) Limited.

Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the combined financial statements of foreign subsidiaries.

Merger reserve

Merger reserve represents the difference between the consideration paid/received and the equity interests acquired/disposed as a result of the restructuring described in Note 2.3.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

22. Earnings per share

The following reflects the income used in the basic and diluted earnings per share computations:

	Three-month period ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
(a) ***Earnings used in calculating earnings per share***		
Net profit attributable to owners of the Company	1,939	1,855
	'000	**'000**
(b) ***Weighted average number of shares***		
Weighted average number of ordinary shares for basic earnings per share *	150,887	150,887
Effect of dilution:		
Outstanding options	—	21,800
Weighted average number of ordinary shares adjusted for the effect of dilution	150,887	172,687

* On 22 June 2011, the Company issued 110,581,479 ordinary shares ("Bonus Shares") at nil consideration to Cordlife Limited.

There are no instruments (e.g. share options) excluded from the calculation of diluted earnings per share in the current year that could potentially dilute basic earnings per share in the future. Total anti-dilutive options which could be dilutive in the future was nil as at 30 September 2011 (30 September 2010: nil).

Except as described in the paragraph below, there have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these interim combined financial statements.

On 14 May 2011, Cordlife Limited and our Group entered into a Bond Deed with a third party bond holder (the "Bond Holder") pursuant to which, Cordlife Limited secured access to working capital of approximately A$7.4 million. Pursuant to the terms of the Bond Deed, the Bond Holder was granted, *inter alia*, (a) one option, which is exercisable into 21,800,000 shares in the capital of Cordlife Limited at the exercise price of A$0.40 per share and (b) an option, which is exercisable into 21,800,000 Shares of the Company, at no consideration. Pursuant to the terms of the Bond Deed, the option will be automatically exercised into 21,800,000 Shares upon the Company's admission on the Main Board of the SGX-ST.

As at 30 September 2011, the option by the Bond Holder remains outstanding.

23. Commitments

Capital commitments

The Group has capital commitments in respect of property, plant and equipment that are contracted for as at 30 September 2011 but not recognised in the financial statements aggregating to $5,238,000 (30 June 2011: $5,644,000).

Operating lease commitments

The Group leases office space under non-cancellable lease arrangements which have remaining lease terms ranging from 1 to 6 years. These leases have options to renew for another 5 years.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Within one year	727	707
After one year but not more than five years	1,372	1,298
	2,099	2,005

Finance lease commitments

Commitments under finance lease are as follows:

	30 June 2011		30 September 2011	
	Minimum lease payments $'000	Present value of payments $'000	Minimum lease payments $'000	Present value of payments $'000
	(Audited)		(Unaudited)	
Within one year	17	15	17	15
After one year but not more than five years	7	6	3	3
Total minimum lease payments	24	21	20	18
Less: Amounts representing finance charges	(3)	—	(2)	—
Present value of minimum lease payments	21	21	18	18

The weighted average interest rate implicit in the lease is 3.75% (30 June 2011: 3.75%).

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

24. Investment in subsidiary companies

Name of company	Country of incorporation	Principal activities	30 June 2011 %	30 September 2011 %
Cordlife (M) Sdn Bhd[1]	Malaysia	Dormant (Malaysia)	100	100
Cordlife (Hong Kong) Limited[2]	Hong Kong	Cord blood and cord banking services (Hong Kong)	100	100
CLS Services Pte Ltd[3]	Singapore	Dormant (Singapore)	100	100
Shanghai Cordlife Stem Cell Research Co., Ltd[4]	People's Republic of China	Dormant (People's Republic of China)	100	100

1 Under liquidation

2 Audited by Ernst & Young, Hong Kong

3 Audited by Ernst & Young LLP, Singapore

4 Not required to be audited in the country of incorporation

25. Related party transactions

(a) Significant transactions between the Group and its related companies are as follows:

	Three-month period ended 30 September	
	2010 $'000 (Unaudited)	2011 $'000 (Unaudited)
Sale of goods to related companies	21	—
Commission expense to related companies	138	—
Recharge of staff costs from related companies	180	—
Recharge of rental to related companies	18	—

Related companies refer to Cordlife Limited and its subsidiaries prior to the capital reduction exercise on 30 June 2011 as described in Note 1.

Included in "recharge of staff costs" is compensation paid to key management personnel of the Company for the three-month period ended 30 September 2010 and 2011.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

25. Related party transactions (continued)

(b) Compensation of key management personnel

	Three-month period ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
Salaries and bonuses	57	131
Central Provident Fund contributions	4	7
Other short-term benefits	6	12
Directors' fees	—	97
	67	247
Comprise amounts paid to:		
Director of the Company	—	167
Other key management personnel	67	80
	67	247

26. Financial risk management

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks as summarised below:

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents and term deposits), the Group minimise credit risk by dealing with high credit rating counterparties. The Group's maximum exposure to credit risk is represented by the carrying amount of these financial assets.

Trade receivables comprise amounts due from parents and therefore the individuals cannot be subject to the types of credit assessments that could be otherwise undertaken if dealing with a corporate entity. To mitigate credit risk, receivable balances are monitored on a regular basis with the result that the Group's exposure to bad debts to date has not been significant. The nature of the cord blood banking business whereby the child's umbilical cord stem cells are stored with the Group reduces the likelihood of default in payment.

There are no significant concentrations of credit risk within the Group.

26. Financial risk management (continued)

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 key exposure to market interest rate risk is from the Group's cash and cash equivalents and other financial assets which relate to term deposits of varying maturity periods placed with reputable banks and financial institutions.

The Group manages its interest rate risks on its interest income by placing cash balances in deposits of varying maturities to access the strongest interest rates available and conserve the capital base of those funds. The details of cash balances available to meet short term commitments is disclosed in Note 13. Cash held as security against a bank overdraft facility is disclosed in Note 14.

The Group will also be subject to fair value risk on its long term receivables in future. This is a direct result of carrying them at amortised cost using an effective interest rate that is likely to differ from market interest rates during the term of the cord blood banking service plans in place.

Movements in interest rates will therefore have an impact on the Group. At 30 September 2011, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit/loss and equity would have been affected as follows:

	Net profit Higher/(lower)		Equity Higher/(lower)	
	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)	30 June 2011 $'000 (Audited)	30 September 2011 $'000 (Unaudited)
Judgements of reasonably possible movements:				
+ 1% (100 basis points)	53	60	53	60
– 0.5% (50 basis points)	(27)	(31)	(27)	(31)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain adequate funding to meet the operating requirements of the business and to facilitate the Group's growth plans.

The Group's liquidity risk management policy is to maintain sufficient liquid financial assets.

26. Financial risk management (continued)

Liquidity risk (continued)

At reporting date, the Group has cash and cash equivalents and term deposits of $6,012,421 (30 June 2011: $5,304,745) and unused credit facilities available for its immediate use of $1,000,000 (30 June 2011: $1,000,000). Hence, the Group's exposure to liquidity risk is minimal.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less $'000	One to five years $'000	Over five years $'000	Total $'000
(Audited)				
30 June 2011				
Financial liabilities				
Trade and other payables	2,261	—	—	2,261
Finance lease liabilities	17	7	—	24
Interest-bearing borrowings	47	201	762	1,010
Total undiscounted financial liabilities	2,325	208	762	3,295
(Unaudited)				
30 September 2011				
Financial liabilities				
Trade and other payables	2,334	—	—	2,334
Finance lease liabilities	17	3	—	20
Interest-bearing borrowings	71	302	1,132	1,505
Total undiscounted financial liabilities	2,422	305	1,132	3,859

27. Fair value of financial assets and financial liabilities

Management has determined that the carrying amounts of cash and cash equivalents, other financial assets, trade and other receivables and trade and other payables, based on their notional amounts, reasonably approximate their fair values because of their short term nature.

The carrying amount of long term trade receivables approximates their fair values as these amounts have been discounted to their present value using market determined risk adjusted discount rates for the Group.

Interest-bearing borrowings carry interest which approximates market interest rate. Accordingly their notional amounts approximate their fair value.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

28. Segment reporting

For management reporting purposes, the Group is organised into two reportable segments as follows:

- North Asia consists of customers from Hong Kong, China and Macau. It also includes the Group's share of associate's results.
- South Asia consists of customers from Singapore, the Philippines and Indonesia.

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 long-term trade receivables.
- Income taxes that are managed on a group basis.
- Subsidiaries not in the principal activity of the provision of cord blood banking services.

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

Segment revenue

	North Asia $'000	South Asia $'000	Others $'000	Total $'000
(Unaudited)				
Three-month ended 30 September 2011				
Revenue from external customers	1,992	5,280	—	7,272
Total consolidated revenue				7,272
(Unaudited)				
Three-month ended 30 September 2010				
Revenue from external customers	1,623	4,591	—	6,214
Total consolidated revenue				6,214

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

28. Segment reporting (continued)

Segment results

	Three-month ended 30 September	
	2010	**2011**
	$'000	**$'000**
	(Unaudited)	**(Unaudited)**
Segment profit:		
— North Asia	112	346
— South Asia	2,292	2,077
	2,404	2,423
Unallocated income/expenses:		
Interest income	18	17
Other unallocated*	(3)	(285)
Profit before income tax expense	2,419	2,155
Income tax expense	(480)	(300)
Total net profit for the year	1,939	1,855

* Other unallocated refers to results of subsidiaries not in the principal activity of the provision of cord blood banking services and the IPO listing expenses.

Segment assets and liabilities

	Assets	**Liabilities**
	$'000	**$'000**
Unaudited		
30 September 2011		
Segment assets and liabilities:		
— North Asia	20,411	5,333
— South Asia	38,210	8,489
Tax recoverable/payable	97	2,002
Deferred tax liabilities	—	136
Eliminations+	(912)	(903)
Others*	345	103
Consolidated	58,151	15,160

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

28. Segment reporting (continued)

Segment assets and liabilities (continued)

	Assets $'000	Liabilities $'000
Audited		
30 June 2011		
Segment assets and liabilities:		
— North Asia	19,341	5,144
— South Asia	36,745	8,390
Tax recoverable/payable	93	2,044
Deferred tax liabilities	—	132
Eliminations+	(902)	(908)
Others*	114	35
Consolidated	55,391	14,837

+ Inter-segment balances are eliminated on consolidation.

* Others refer to the assets and liabilities of subsidiaries not in the principal activity of the provision of cord blood banking services and prepayments for IPO listing expenses.

29. Capital management

Capital comprise of 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 light of changes in economic conditions. To maintain or adjust the capital structure, the Group may obtain gearing through loans and borrowings. No changes were made in the objectives, policies or processes during the three-month period ended 30 September 2010 and 2011.

The Group is currently in net cash position. The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

30. Subsequent events

On 7 March 2012, the Group entered into a subscription agreement with CS Cell Technologies Pte Ltd ("CSCT"), an unrelated third party, which holds 85% of Cordlife Sciences India Pvt. Ltd. ("Cordlife India"), pursuant to which the Group will invest S$1.5 million in CSCT, through the subscription of the Bonds issued by CSCT. The investment amount of S$1.5 million is intended for the expansion of operations of CSCT and Cordlife India only. This sum will be financed by the internally generated funds of the Company. The remaining 15.0% interest in Cordlife India is held by an unrelated third party.

Cordlife Group Limited and its Subsidiaries

Notes to the Interim Combined Financial Statements
For the three-month period ended 30 September 2011

30. Subsequent events (continued)

Pursuant to the terms of the subscription agreement, the investment amount will be contributed in one tranche. The Bonds issued by CSCT have an aggregate redemption value ("**Redemption Value**") of approximately S$2.2 million upon its maturity at the end of two years from the issue date, and such Redemption Value was computed taking into account a 20.0% yield per annum, compounding on the anniversary of the issue date of the bond, in respect of the issue price of S$1.5 million.

The Bonds may be redeemed or converted prior to maturity at the option and discretion of the Board of Directors, after taking into consideration the management's recommendations.

Pursuant to the terms and conditions of the Bonds, if the Bonds are redeemed prior to maturity, the early redemption yield will be 20.0% per annum of the investment amount of S$1.5 million, compounding on each anniversary of the closing date (calculated from the bond issue date until the date of redemption).

The Group may, at our discretion, convert the Bonds prior to the maturity date at any time after the date falling six months after the bond issue date, by issuing a conversion notice to CSCT, which shall issue new ordinary shares of CSCT to us within 60 days of receipt of such notice. The number of new ordinary shares of CSCT to be issued to us will depend on the value of the Bonds and the conversion price of such ordinary shares of CSCT. The value of the Bonds at the time of conversion shall be 20.0% on the investment amount (being S$1.5 million) compounding on each anniversary of the bond issue date, in addition to the investment amount (being S$1.5 million). The conversion price of such ordinary shares of CSCT will depend on the share capital of CSCT multiplied by a factor 1.8, and divided by the total number of outstanding ordinary shares of CSCT at the relevant time.

Upon subscription, the Bonds would convert into approximately 30% of the total outstanding shares of CSCT, assuming that the Bonds are converted at maturity. This may increase or decrease at the actual time of conversion should CSCT issue new shares or cancel any existing shares prior to maturity. However, the total number of ordinary shares of CSCT to be issued on conversion shall not exceed 30.0% of the total outstanding shares of CSCT. The remaining value of the Bonds, if any, shall be redeemed for in cash.

For so long as the Bonds remain outstanding, our Group shall have the right to appoint one member to the board of directors of CSCT and restrict CSCT from issuing new shares.

31. Authorisation of combined financial statements for issue

The interim combined financial statements for the three-month ended 30 September 2011 were authorised for issue in accordance with a resolution of the directors on 21 March 2012.

You are invited to apply and subscribe for the New Shares at the Invitation Price for each New Share subject to the following terms and conditions:

(a) **YOUR APPLICATION FOR THE NEW SHARES MUST BE MADE IN LOTS OF 1,000 NEW SHARES OR INTEGRAL MULTIPLES THEREOF. APPLICATIONS FOR ANY OTHER NUMBER OF NEW SHARES WILL BE REJECTED.**

(b) Your application for Offer Shares may be made by way of printed Offer Shares Application Forms or by way of Electronic Applications through the ATMs of the Participating Banks ("**ATM Electronic Applications**") or through the IB websites of the relevant Participating Banks ("**Internet Electronic Applications**" which, together with ATM Electronic Applications, shall be referred to as "**Electronic Applications**"). The Participating Banks are DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary Far Eastern Bank Limited.

You may use up to 35.0% of your CPF Investible Savings ("**CPF Funds**") to apply for the Offer Shares under the Public Offer. Approval has been obtained from the Central Provident Fund Board ("**CPF Board**") for the use of such CPF Funds pursuant to the Central Provident Fund (Investment Schemes) Regulations, as may be amended from time to time, for the subscription of the Offer Shares. You may also use up to 35.0% of your CPF Funds for the purchase of the Shares in the secondary market.

If you are using CPF Funds to apply for the Offer Shares, you must have a CPF Investment Account maintained with the relevant CPF agent bank (the "**CPF Agent Bank**). The CPF Agent Banks are DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited. You do not need to instruct the CPF Board to transfer CPF Funds from your CPF Ordinary Account to your CPF Investment Account.

The use of CPF Funds to apply for the Offer Shares is further subject to the terms and conditions set out in the section on "Terms and Conditions for Use of CPF Funds" on page C-17 of this Prospectus.

Your application for the Placement Shares may only be made by way of printed Placement Shares Application Forms.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

(c) **You are allowed to submit only one application in your name for the Offer Shares. If you submit an application for Offer Shares by way of a printed Offer Shares Application Form, you MAY NOT submit another application for Offer Shares by way of an Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

If you submit an application for Offer Shares by way of an Internet Electronic Application, you MAY NOT submit another application for Offer Shares by way of an ATM Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion. If you (being other than an approved nominee company) have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an

Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion.

You are allowed to submit only one application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and we have the discretion whether to accept or reject such multiple applications. If you (being other than an approved nominee company) have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion.

If you have made an application for Placement Shares, and you have also made a separate application for Offer Shares either by way of an Application Form or through an Electronic Application, we shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

Conversely, if you have made an application for Offer Shares either by way of an Application Form or through an Electronic Application, and you have also made a separate application for Placement Shares, we shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

Joint applications shall be rejected. Multiple applications for New Shares will be liable to be rejected at our discretion. If you submit or procure submissions of multiple share applications (whether for Offer Shares, Placement Shares or both Offer Shares and Placement Shares), you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the Securities and Futures Act (Chapter 289) of Singapore, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be liable to be rejected at our discretion.

(d) We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the name of the deceased at the time of application.

(e) We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph (f) below.

(f) **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES**. Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

(g) **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION**. If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if your application is by way of an Application Form), or you will not be able to complete your Electronic Application (if your application is by way of an Electronic Application). If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph (h) below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form or in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

(h) **If your address as stated in the Application Form or, in the case of an Electronic Application, in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**

(i) **We reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and this Prospectus or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn or improper form of remittance. We further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or with the terms and conditions of this Prospectus and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**

(j) We reserve the right to reject or accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and we will not entertain any enquiry and/or correspondence on our decision. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment which will be at our discretion, we will give due consideration to the desirability of allotting the New Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.

(k) Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of the New Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by us. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the New Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

(l) In the event of an under-subscription for the Offer Shares as at the close of the Application List, the number of the Offer Shares under-subscribed shall be made available to satisfy applications for the Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of the Placement Shares under-subscribed shall be made available to satisfy applications for the Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors, after consultation with the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent.

(m) You consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable) and share application amount from your account with the relevant Participating Bank to the Registrar for the Invitation and Share Transfer Office, SCCS, SGX-ST, CDP, the Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Offer Shares allotted to you pursuant to your application, to the Company, the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent and any other parties so authorised by CDP, the Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent. CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to Electronic Applications.

(n) Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Application Form or by way of an Electronic Application, or for the Placement Shares though the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent.

(o) By completing and delivering an Application Form or by making and completing an Electronic Application, by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant key on the IB website screen in accordance with the provisions herein, you:

(i) irrevocably offer to subscribe for the number of the New Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price and agree that you will accept such New Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in, this Prospectus and our Memorandum and Articles of Association;

(ii) agree that in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and those set out in the ATMs or the IB websites of the relevant Participating Banks, the terms and conditions set out in this Prospectus shall prevail;

(iii) agree that the aggregate Invitation Price for the New Shares applied for is due and payable to us forthwith;

(iv) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot and/or allocate any New Shares to you; and

(v) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Issue Manager and Co-Placement Agent or the Underwriter and Co-Placement Agent will infringe any such laws as a result of the acceptance of your application.

(p) Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:

(i) permission has been granted by the SGX-ST to deal in and for quotation of all the existing Shares and the New Shares on the Official List of the SGXST;

(ii) the Management and Underwriting Agreement and the Placement Agreement referred to under the section titled "Plan of Distribution" of this Prospectus have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and

(iii) no stop order has been issued by the Authority under the Securities and Futures Act.

(q) We will not hold any application in reserve.

(r) We will not allot and/or allocate Shares on the basis of this Prospectus later than six months after the date of registration of this Prospectus.

(s) In the event that a stop order in respect of the New Shares is served by the Authority or other competent authority; and

(i) if the New Shares have not been issued and/or sold, we will (as required by law) deem all applications as withdrawn and cancelled and we shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the stop order; or

(ii) if the New Shares have been issued and/or sold but trading has not commenced, the issue and/or sale of the New Shares will (as required by law) be deemed to be void; and:

(aa) in the case where the New Shares have been issued, we shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the stop order; or

(bb) in the case where the New Shares have been sold, (1) we will inform you to return such documents to our Company within 14 days from the date of the stop order; and (2) we will refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 7 days from the receipt of those documents (if applicable) or the date of the stop order, whichever is later.

This shall not apply where only an interim stop order has been served.

In the event that an interim stop order in respect of the New Shares is served by the Authority or other competent authority, no New Shares shall be issued and/or sold to you until the Authority revokes the interim stop order.

(t) Additional terms and conditions for applications by using Application Forms are set out on pages C-6 to C-10 of this Prospectus.

(u) Additional terms and conditions for Electronic Applications are set out on pages C-11 to C-16 of this Prospectus.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

You shall make an application by way of Application Forms made on and subject to the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under this Appendix C, as well as our Memorandum and Articles of Association of our Company.

(a) Your application must be made using the **WHITE** Application Forms and official envelopes "A" and "B" for the Offer Shares or the **BLUE** Application Forms for Placement Shares accompanying and forming part of this Prospectus. Attention is drawn to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **We reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn or improper forms of remittances.**

(b) Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.

(c) All spaces in the Application Forms except those under the heading "FOR OFFICIAL USE ONLY" must be completed and the words "NOT APPLICABLE" or "N.A." should be written in any space that is not applicable.

(d) Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full name as it appears in your identity card (if applicants have such an identification document) or in your passport and, in the case of corporations, in your full name as registered with a competent authority. If you are a nonindividual completing the Application Form under the hand of an official, you must state the name and capacity in which that official signs. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association, Articles or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association, Articles or equivalent constitutional documents must be lodged with the Registrar for the Invitation and the Share Transfer Office. We reserve the right to require you to produce documentary proof of identification for verification purposes.

(e) Please note that:

(i) You must complete page 1 and Sections A and B of the Application Forms.

(ii) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Forms. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Forms with particulars of the beneficial owner(s).

(iii) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Forms, your application is liable to be rejected.

(f) You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or a permanent resident of Singapore or corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the New Shares is a citizen or permanent resident of Singapore or a corporation (whether incorporated or unincorporated and wherever incorporated or constituted) in which citizens or permanent residents of Singapore or any body corporate (whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore) have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.

(g) You may apply and make payment for the Offer Shares in Singapore currency in the following manner:

(i) **Cash only** — You may apply for the Offer Shares using only cash. Each application must be accompanied by a cash remittance in Singapore currency of the full amount payable at the Invitation Price of S$0.495 for each Offer Share, in respect of the number of Offer Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**CORDLIFE GROUP LIMITED SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with your name, CDP Securities Account number and address written clearly on the reverse side. We will not accept applications accompanied by ANY OTHER FORM OF PAYMENT. We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. No acknowledgement or receipt will be issued by our Company or the Issue Manager and Co-Placement Agent or the Underwriter and Co-Placement Agent for applications and application monies received.

(ii) **CPF Funds only** — You may apply for the Offer Shares using only CPF Funds. Each application must be accompanied by a remittance in Singapore currency for the full amount payable at the Invitation Price of S$0.495 for each Offer Share, in respect of the number of Offer Shares applied for. The remittance must be in the form of a **CPF CASHIER'S ORDER** (available for purchase at the CPF agent bank with which the applicant maintains his CPF Investment Account), made out in favour of "**CORDLIFE GROUP LIMITED SHARE ISSUE ACCOUNT"**) with your name, CPF Investment Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. For additional terms and conditions governing the use of CPF Funds, please refer to page C-17 of this Prospectus.

(iii) **Cash and CPF Funds** — You may apply for the Offer Shares using a combination of cash and CPF Funds, PROVIDED THAT the number of Offer Shares applied for under each payment method is in lots of 1,000 Offer Shares or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that applications for the Offer Shares are accepted in part only, the cash portion of the application monies will be used in respect of such applications before the CPF Funds are used.

An applicant applying for 1,000 Offer Shares must use either cash only or CPF Funds only. No acknowledgement of receipt will be issued for applications and application monies received.

Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of ballotting at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Management and Underwriting Agreement and/or the Placement Agreement or the Invitation does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within five Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the stop order,

(h) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

(i) By completing and delivering the Application Form, you agree that

(i) in consideration of us having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 27 March 2012** or such other time or date as we may, in consultation with the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent decide, and by completing and delivering the Application Form, you agree that:

(aa) your application is irrevocable; and

(bb) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

(ii) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(iii) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on our behalf;

(iv) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application; and

(v) in making your application, reliance is placed solely on the information contained in this Prospectus and neither our Company, our Directors, the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained.

Applications for Offer Shares

(a) Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Form and **WHITE** official envelopes "A" and "B". **ONLY ONE APPLICATION** should be enclosed in each envelope.

(b) You must:

(i) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Prospectus in the **WHITE** envelope "A" provided;

(ii) in the appropriate spaces on **WHITE** envelope "A":

(aa) write your name and address;

(bb) state the number of Offer Shares applied for;

(cc) tick the relevant box to indicate the form of payment; and

(dd) affix adequate Singapore postage;

(iii) SEAL **WHITE** envelope "A";

(iv) write, in the special box provided on the larger **WHITE** envelope "B" addressed to **Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00, Singapore 068898**, the number of Offer Shares for which the application is made; and

(v) insert **WHITE** envelope "A" into **WHITE** envelope "B", seal **WHITE** envelope "B", affix adequate Singapore postage on **WHITE** envelope "B" (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND at your own risk to Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00, Singapore 068898, so as to arrive by 12.00 noon on 27 March 2012 or such other date and time as we may, in consultation with the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

(c) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Placement Shares

(a) Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.

(b) The completed **BLUE** Placement Shares Application Form and your remittance (in accordance with the terms and conditions of this Prospectus) for the full amount payable in respect of the number of Placement Shares you have applied for, with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. The sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00, Singapore 068898 or such other date and time as we may, in consultation with the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used**. No acknowledgement of receipt will be issued for any application or remittance received.

(c) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks. Currently, the UOB Group, DBS and OCBC Bank are the only Participating Banks through which Internet Electronic Applications can be made. For illustration purposes, the procedures for Electronic Applications through the ATMs and the IB website of the UOB Group are set out respectively in the sections "Steps for Electronic Applications through ATMs and the IB website of the UOB Group" (the "**Steps**") appearing on pages C-18 to C-22 of this Prospectus.

The Steps set out the actions that you must take at an ATM or IB website of UOB to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to "you" or the "applicant" in this section titled "Additional Terms and Conditions for Electronic Applications" and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a Participating Bank.

Applicants applying for Offer Shares by way of Electronic Applications may incur an administrative fee and/or such related charges as stipulated by respective Participating Banks from time to time.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs of the relevant Participating Bank. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("**Transaction Record**") confirming the details of your Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

For an Internet Electronic Application, you must have a bank account with and a User Identification ID ("**User ID**") and a Personal Identification Number ("**PIN**") given by the relevant Participating Banks. Upon completion of your Internet Electronic Application through the IB website of UOB, there will be an onscreen confirmation ("**Confirmation Screen**") of the application which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

You must ensure, when making an Internet Electronic Application, that your mailing address selected for application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected. You shall make an Electronic Application on the terms, and subject to the conditions, of this Prospectus including but not limited to the terms and conditions appearing below and those set out under this section as well as the Memorandum of Association and Articles of our Company.

(a) In connection with your Electronic Application, you are required to confirm statements to the following effect in the course of activating the ATM or the IB website for your Electronic Application:

(i) that you have received a copy of this Prospectus (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

(ii) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), and share application amount (the "Relevant Particulars") from your account with the relevant Participating Bank to the Share Registrar, the SGX-ST, CDP, SCCS, the Company, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent (the "Relevant Parties"); and

(iii) that this is your only application and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement (a)(ii) above, your confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

(b) **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS BENEFICIAL OWNER.**

YOU SHALL MAKE ONLY ONE ELECTRONIC APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES, WHETHER AT AN ATM OR THE IB WEBSITE (IF ANY) OF ANY PARTICIPATING BANK OR ON AN APPLICATION FORM. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION AND VICE VERSA.

(c) You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed.

Any Electronic Application which does not conform strictly to the instructions set out on the screens of the ATM or IB website through which your Electronic Application is being made shall be rejected.

You may apply and make payment for your application for the Offer Shares in Singapore currency in the following manner:

(i) **Cash only** — You may apply for the Offer Shares through any ATM or IB website (as the case may be) of your Participating Bank by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

(ii) **CPF Funds only** — You may apply for the Offer Shares through any ATM or IB website (as the case may be) of your CPF Agent Bank using only CPF Funds by authorising your CPF Agent Bank to deduct the full amount payable from your CPF Investment Account with the respective CPF Agent Bank. For additional terms and conditions governing the use of CPF Funds, please refer to page C-17 of this Prospectus.

(iii) **Cash and CPF Funds** — You may apply for the Offer Shares through any ATM or IB website (as the case may be) of your CPF Agent Bank using a combination of cash and CPF Funds, PROVIDED THAT the number of Offer Shares applied for under each payment method is in lots of 1,000 Offer Shares or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that such applications are accepted in part only, the cash portion of the application monies will be used in respect of such applications before the CPF Funds are used.

(d) You irrevocably agree and undertake to subscribe for the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application. In the event that we decide to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM or clicking "Confirm" or "OK" or any other relevant key on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum of Association and Articles of our Company.

(e) **We will not keep any applications in reserve**. Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) in Singapore currency to you by being automatically credited to your account with your Participating Bank or CPF Agent Bank, as the case may be, within 24 hours after balloting, provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. **Trading on a "WHEN ISSUED" basis, if applicable, is expected to commence after such refund has been made**.

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank or CPF Agent Bank, as the case may be, within 14 days after the close of the Application List, provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

Responsibility for timely refund of application monies arising from unsuccessful or partially unsuccessful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank or CPF Agent Bank, as the case may be, as to the status of your Electronic Application and/or the refund of any monies to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading the Offer Shares on the SGX-ST. None of the SGX-ST, CDP, the CPF Board, the SCCS, the Participating Banks, the CPF Agent Banks, our Company, our Directors, the Issue Manager and Co-Placement Agent and the Underwriter and Co-Placement Agent assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(f) If your Electronic Application is made through the ATMs of DBS (including POSB), OCBC Bank or the UOB Group, and is unsuccessful, no notification will be sent by the relevant Participating Banks.

If your Internet Electronic Application made through the IB websites of DBS, UOB Group or OCBC Bank is unsuccessful, no notification will be sent by such Participating Bank.

If you make an Electronic Application through an ATM or the IB website of one of the following Participating Banks, you may check the provisional results of your Electronic Application as follows:

Bank	Telephone	Available at	Operating Hours	Service expected from
DBS	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	Internet Banking http://www.dbs.com[(1)]	24 hours	Evening of the balloting day
UOB Group	1800 222 2121	ATM (Other Transactions — "**IPO Results Enquiry**")	ATM/Phone Banking 24 hours	Evening of the balloting day
		http://www.uobgroup.com[(1) (2)]	Internet Banking 24 hours	Evening of the balloting day
OCBC	1800 363 3333	ATM/PhoneBanking/Internet Banking/http://www.ocbc.com[(3)]	ATM/Phone Banking 24 hours	Evening of the balloting day

Notes:

(1) If you make your Internet Electronic Applications through the IB website of DBS or UOB Group, you may check the result through the same channels listed in the table above in relation to ATM Electronic Applications made at ATMs of DBS or UOB Group.

(2) If you make your Electronic Application through the ATMs or IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking Services.

(3) If you make your Electronic Application through the ATMs or IB website of OCBC Bank, you may check the result of your application through the same channels listed in the table above.

(g) **Electronic Applications shall close at 12.00 noon on 27 March 2012 or such other time or date as our Company may, in consultation with the Issue Manager and the Co-Placement Agent and Underwriter and Co-Placement Agent, decide. All Internet Electronic Applications must be received by 12.00 noon on 27 March 2012.** Subject to paragraph (j) below, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank.

(h) We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. We will reject any application by any person acting as nominee, except those made by approved nominee companies only.

(i) You are deemed to have irrevocably requested and authorised us to:

(i) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;

(ii) send the relevant Share certificate(s) to CDP;

(iii) return or refund (without interest or any share of revenue or other benefit arising therefrom) the application monies in Singapore currency, should your Electronic Application be rejected, by automatically crediting your bank account with your Participating Bank or CPF Agent Bank, as the case may be, with the relevant amount within 24 hours of balloting; and

(iv) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies in Singapore currency, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank or CPF Agent Bank, as the case may be, with the relevant amount within 14 days after the close of the Application List.

(j) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, the CPF Agent Banks, our Company and the Issue Manager and Co-Placement Agent and if, in any such event, we, the Issue Manager and Co-Placement Agent, the CPF Board and Underwriter and Co-Placement Agent and/or the relevant Participating Bank or the CPF Agent Bank do not record or receive your Electronic Application, or data relating to your Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against us, the Issue Manager and Co-Placement Agent and Underwriter and Co-Placement Agent and/or the relevant Participating Bank or the CPF Agent Bank for the Offer Shares applied for or for any compensation, loss or damage.

(k) All your particulars in the records of your Participating Bank or CPF Agent Bank, as the case may be, at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank or CPF Agent Bank, as the case may be, and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank or CPF Agent Bank, as the case may be.

(l) **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank or CPF Agent Bank, as the case may be, are correct and**

identical; otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

(m) By making and completing an Electronic Application, you are deemed to have agreed that:

(i) In consideration of our Company making available the Electronic Application facility through the ATMs of the Participating Banks or CPF Agent Banks, as the case may be, acting as our agents, at the ATMs and the IB websites (if any):

(aa) your Electronic Application is irrevocable; and

(bb) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(ii) none of our Company, our Directors, the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent or the Participating Banks or CPF Agent Banks, as the case may be, shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph (j) above or to any cause beyond their respective controls;

(iii) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;

(iv) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application; and

(v) in making your application, reliance is placed solely on information contained in this Prospectus and that none of the Company, the Issue Manager and Co-Placement Agent, the Underwriter and Co-Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained.

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks or CPF Agent Bank, as the case may be. For illustrative purposes, the steps for making an Electronic Application through the ATMs or IB website of UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

TERMS AND CONDITIONS FOR USE OF CPF FUNDS

(a) If you are using CPF Funds to subscribe for the Offer Shares, you must have a CPF Investment Account maintained with a relevant CPF Agent Bank at the time of your application. The CPF Investment Account is governed by the Central Provident Fund (Investment Schemes) Regulations, as may be amended from time to time. CPF Investment Accounts may be opened with any branch of the CPF Agent Banks. If you are applying for the Offer Shares through an ATM Electronic Application, you must have an ATM card with that CPF Agent Bank at the time of your application before you can use the ATMs of that CPF Agent Bank to apply for the Offer Shares. For an Internet Electronic Application, you must have an existing bank account with, and a User Identification ("**User ID**") as well as a Personal Identification Number ("**PIN**") given by, the relevant CPF Agent Bank. Upon the completion of your Internet Electronic Application through the IB website of the relevant CPF Agent Bank, there will be a Transaction Completed Screen of the application which can be printed out by you for your record. This printed record of the Transaction Completed Screen is for your retention and should not be submitted with any printed Application Form.

If you are using CPF Funds to subscribe for the Offer Shares through an ATM or IB website (as the case may be), you must subscribe for the Offer Shares through the ATM or IB website (as the case may be) of the CPF Agent Bank with which you maintain your CPF Investment Account.

(b) CPF Funds may only be withdrawn for applications for the Offer Shares in lots of 1,000 Offer Shares or integral multiples thereof.

(c) If you are applying for the Offer Shares using a printed Application Form and you are using CPF Funds to apply for the Offer Shares, you must submit a CPF Cashier's Order for the total amount payable for the number of Offer Shares applied for using CPF Funds.

(d) Before you apply for the Offer Shares using your CPF Funds, you must first make sure that you have sufficient funds in your CPF Investment Account and/or CPF Ordinary Account to pay for the Offer Shares. You need not instruct the CPF Board to transfer your CPF Funds from your CPF Ordinary Account to your CPF Investment Account. If the balance in your CPF Investment Account is insufficient and you have sufficient investible CPF Funds in your CPF Ordinary Account, the CPF Agent Bank with which you maintain your CPF Investment Account will automatically transfer the balance of the required amount from your CPF Ordinary Account to your CPF Investment Account immediately for you to use these funds to buy a CPF Cashier's Order from your CPF Agent Bank in the case of an application by way of a printed Application Form or submit your application in the case of an application by way of an Electronic Application. The automatic transfer facility is available until the close of the Public Offer, and the operating hours of the facility are between 8.00 a.m. and 10.00 p.m. from Mondays to Saturdays, and between 8.00 a.m. and 5.00 p.m. on Sundays and public holidays.

(e) The special CPF securities sub-account of the nominee company of the CPF Agent Bank (with whom you maintain a CPF Investment Account) maintained with CDP will be credited with the principal amount of the Offer Shares you subscribed for with CPF Funds.

(f) Where you are using CPF Funds, you cannot apply for the Offer Shares as nominee for any other person.

(g) All instructions or authorisations given by you in a printed Application Form or through an Electronic Application are irrevocable.

All information furnished by the CPF Board and the relevant CPF Agent Banks on your authorisation will be relied on as being true and correct.

APPENDIX C — TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

STEPS FOR ELECTRONIC APPLICATIONS THROUGH ATMS AND THE IB WEBSITE OF THE UOB GROUP

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through the ATMs or IB website of UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

Owing to space constraints on UOB Group's ATM screens, the following terms will appear in abbreviated form:

"&"	:	and
"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	Central Provident Fund Board
"IC"	:	NRIC
"SCCS"	:	Securities Clearing & Computer Services (Pte) Ltd
"UOB CPFIS"	:	UOB or CPF Investment Scheme

Steps for Electronic Application through the ATMs of UOB Group

Step 1 : Insert your personal Unicard, Uniplus card or UOB Visa/Master card and key in your personal identification number.

2 : Select "**CASH CARD/OTHER TRANSACTIONS**".

3 : Select "**SECURITIES APPLICATION**".

4 : Select the share counter which you wish to apply for.

5 : Read and understand the following statements which will appear on the screen:

— **THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS**

(Press "**ENTER**" to continue)

— **PLEASE CALL 1800-22-22-121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT**

— **WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT**

(Please press "**ENTER**" key to confirm that you have read and understood the above statements.)

6 : Read and understand the following terms which will appear on the screen:

— **YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENTS/ SUPPLEMENTARY DOCUMENT & THIS ELECTRONIC APPLICATION**

— **YOU CONSENT TO DISCLOSE YOUR NAME, IC/PASSPORT, NATIONALITY, ADDRESS, APPLICATION AMOUNT, CPF INVESTMENT ACCOUNT NUMBER & CDP ACCOUNT NUMBER FROM YOUR ACCOUNTS TO CDP, CPF, SCCS, SHARE REGISTRARS, SGX-ST AND ISSUER/VENDOR(S)**

— **THIS IS YOUR ONLY FIXED PRICE APPLICATION & IS IN YOUR NAME & AT YOUR RISK**

(Please press "**ENTER**" to confirm)

7 : Screen will display:

NRIC/Passport Number 12345678B

IF YOUR NRIC NUMBER/PASSPORT NUMBER IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.

(Press "CANCEL" or "**CONFIRM**")

8 : Select mode of payment i.e. "**CASH ONLY**", "**CPF**" **only OR "Cash & CPF**". You will be prompted to select Cash Account type to debit (i.e., "**CURRENT ACCOUNT/I-ACCOUNT**", "**CAMPUS ACCOUNT**" OR "**SAVINGS ACCOUNT/TX ACCOUNT**"). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.

9 : After you have selected the account, your CDP Account number will be displayed for you to confirm or change. (This screen with your CDP Account number will be shown for applicants whose CDP Account number is already stored in the ATM system of UOB). For an applicant who is using UOB's ATM for the first time to apply for securities, the CDP Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Account number.

10 : Read and understand the following terms which will appear on the screen:

1. **YOU ARE REQUIRED TO ENTER YOUR CDP ACCOUNT NUMBER FOR YOUR FIRST IPO/SECURITIES APPLICATION. THIS ACCOUNT NUMBER WOULD BE DISPLAYED FOR FUTURE APPLICATIONS.**
2. **DO NOT APPLY FOR JOINT ACCOUNT HOLDER OR THIRD PARTIES.**
3. **PLEASE ENTER YOUR OWN CDP ACCOUNT NUMBER (12 DIGITS) & PRESS ENTER.**

If you wish to terminate the transaction, please press the "**CANCEL**" key.

11 : Key in your Securities Account number (12 digits) and press the "**ENTER**" key.

12 : Select your nationality status.

13 : Key in the quantity of securities you wish to apply for and press the "**ENTER**" key.

14 : Check the details of your Electronic Application on the screen and press "**ENTER**" key to confirm your Electronic Application.

15 : Select "**NO**" if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only.

APPENDIX C — TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Owing to space constraints on UOB Group's IB website screens, the following terms will appear in abbreviated form:

"**CDP**"	:	The Central Depository (Pte) Limited
"**CPF**"	:	The Central Provident Fund
"**NRIC**" or "**I/C**"	:	National Registration Identity Card
"**PR**"	:	Permanent resident
"**SGD**"	:	Singapore Dollars
"**SCCS**"	:	Securities Clearing & Computer Services (Pte) Ltd
"**SGX**"	:	Singapore Exchange Securities Trading Limited

Steps for Internet Electronic Application through the IB website of UOB Group

Step 1	:	Connect to UOB website at http://www.uobgroup.com.
2	:	Locate the Login icon "UOB Online Services Login" on the top right hand corner.
3	:	Click on Login and at the drop list select "UOB Personal Internet Banking".
4	:	Enter your Username and Password and click "**Submit**". You are required to key in your SMS-OTP password if you are using your mobile phone or Token-OTP password if you are using a Token Device.
5	:	Select EPS/Securities/CPFIS and at the drop list select"**Securities — Securities Application**".
6	:	Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions.
7	:	Click "**Continue**".
8	:	Select your country of residence (you must be residing in Singapore to apply), and click "**Continue**".
9	:	Select the Securities counter from the drop list, and click "**Submit**".
10	:	Check the Securities counter and select the mode of payment and account number to debit and click on "**Submit**".
11	:	Read the important instructions and click on "**Continue**" to confirm that:

1. **You have read, understood and agreed to all the terms of this application and Prospectus/Document or Supplementary Document.**

2. **You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable), and application details to the securities registrars, SGX, SCCS, CDP, CPF Board, issuer/vendor(s).**

3. This application is made in your own name, for your own account and at your own risk.

4. For Fixed/MAX price securities application, this is your only application. For Tender price securities application, this is your only application for at the selected tender price.

5. For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following. The application monies will be debited from your bank account in SGD, based on the Bank's exchange profit or loss, or application monies may be debited and refunds credited in SGD at the same exchange rate.

6. For 1st-Come-1st Serve securities, the number of securities applied for may be reduced, subject to the availability at the point of application.

12 : Check your personal details, details of the securities counter you wish to apply for and account to debit.

Select: (a) "Nationality"

Enter: (b) your CDP Securities Account number; and

(c) the number of securities applied for using cash.

Click "**Submit**"

13 : Check your personal particulars (name, NRIC/Passport number and nationality), details of the securities counter you wish to apply for, CDP Securities Account number, account to debit and number of securities applied for.

14 : Click "**Confirm**", or "**Edit**".

15 : Print the Confirmation Screen (optional) for your reference and retention only.

APPENDIX D — SINGAPORE TAXATION

The following summary is based on tax laws of Singapore as in effect on the date of this Prospectus, and is subject to changes in such laws, including changes that could have retroactive effects. Prospective purchasers in all jurisdictions are urged to consult their own tax advisers about the tax consequences of an investment in the Shares under the laws of Singapore and their constituent jurisdictions, and any other jurisdictions where the purchasers of the Shares may be subject to taxation.

Singapore Taxation

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore, administrative guidelines issued by the relevant authorities in force as of the date of this Prospectus and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of the Shares or of any person acquiring, selling or otherwise dealing with the Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Prospective investors are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Shares including, in particular, the effect of any foreign state or local tax laws to which they are subject. It is emphasised that neither the Company nor any other persons involved in the Offering accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Shares.

General

Individual Taxpayers

An individual is a tax resident in Singapore in a given year of assessment if in the preceding year he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore, and foreign-sourced income received or deemed received in Singapore from outside Singapore. However, all foreign-sourced income received in Singapore on or after January 1, 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax (the "**Comptroller**") is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is taxed at progressive rates currently ranging from 0% to 20.0%.

Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax at the tax rate of 20.0% on income accruing in or derived from Singapore.

Corporate Taxpayers

A company is tax resident in Singapore if the control and management of its trade or business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and services income received or deemed to be received in Singapore by Singapore tax resident companies on or after June 1, 2003 are exempt from tax if certain prescribed conditions are met, including the following:

- such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received;
- at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received is at least 15.0%; and
- the Comptroller is satisfied that the tax exemption would be beneficial to the recipient of the foreign income.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore with respect to such conditions.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

The corporate tax rate in Singapore is currently 17.0%. In addition, three-quarters of up to the first S$10,000, and one-half of up to the next S$290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income (after the partial exemption) will be taxed at the applicable corporate tax rate.

Taxation of the Shares

Income Tax

- Tax on Dividends

  Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax.

  Under the one-tier corporate tax system, the tax on corporate profits is final and dividends paid by a Singapore resident company are tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

- Disposal of Shares

  Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of the Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the Comptroller regards as the carrying on of a trade or business in Singapore.

  In addition, holders of the Shares who apply, or who are required to apply, the Singapore Financial Reporting Standard 39: Financial Instruments — Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Shares is made. Holders of the Shares who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Shares.

Stamp Duty

There is no stamp duty payable in respect of the issuance and holding of the Shares.

Where the Shares evidenced in certificated form are acquired in Singapore, Singapore stamp duty is payable on the instrument of transfer of the Shares at the rate of S$0.20 for every S$100 or part thereof of the consideration for, or market value of, the Shares, whichever is higher. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of the Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of the Shares through the scripless trading system operated by CDP.

Goods & Services Tax ("GST")

The sale of the Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

Where the Shares are supplied by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0%. Any input GST incurred by a GST-registered investor in the making of the above supply in the course or furtherance of a business carried on by such investor may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of the Shares.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of the Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of the Shares will be subject to GST at the standard rate of 7.0%. Similar services rendered contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to satisfaction of certain conditions, be subject to GST at 0%.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

This page has been intentionally left blank.

The discussion below provides a summary of the principal objects of our Company as set out in our Memorandum of Association and certain provisions of our Articles of Association and the laws of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Memorandum and Articles of Association.

REGISTRATION NUMBER

We are registered in Singapore with the Accounting and Corporate Regulatory Authority. Our company registration number is 200102883E.

SUMMARY OF OUR ARTICLES OF ASSOCIATION

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he has any personal material interest, and he shall not be counted in the quorum present at the meeting.

(b) Remuneration

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of the Company) as shall from time to time be determined by the Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services outside the ordinary duties of a Director, may be paid extra remuneration by way of salary, commission or otherwise, as the Directors may determine.

The remuneration of a Managing Director shall be fixed by the Directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover. The Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits, to contribute to any scheme or fund or to pay premiums.

(c) Borrowing

Our Directors may exercise all the powers of our Company to raise or borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to secure any debt, liability or obligation of our Company.

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Articles of Association. Section 153 of the Companies Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company, unless he is appointed or re-appointed as a director of the Company or authorised to continue in office as a director of the Company by way of an ordinary resolution passed at an annual general meeting of the Company.

(e) Shareholding Qualification

There is no shareholding qualification for Directors in the Memorandum and Articles of Association of the Company.

2. Share rights and restrictions

We currently have two classes of shares, namely, Shares and "A" Preference Shares. Only persons who are registered on our register of Shareholders are recognised as our Shareholders. In cases where the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the Shares are recognised as our Shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. We must pay all dividends out of profits available for distribution. We may capitalise any sum standing to the credit of any of the Company's reserve accounts and apply it to pay dividends, if such dividends are satisfied by the issue of shares to our shareholders. All dividends are paid pro rata amongst our shareholders in proportion to the amount paid up on each shareholder's ordinary shares, unless the rights attaching to an issue of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company. Any dividend unclaimed after a period of six years after having been declared may be forfeited and shall revert to the Company but the Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

The Directors may retain any dividends or other monies payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our ordinary shares is entitled to attend and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP at least 48 hours before the general meeting. Except as otherwise provided in our Articles of Association, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles of Association, on a show of hands, every shareholder present in person and by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10.0% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require shareholders to pass an ordinary resolution. General meetings at which ordinary resolutions are proposed to be passed shall be called by at least 14 days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. The reduction of our share capital is subject to the conditions prescribed by law.

4. Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total voting rights of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of our Articles of Association relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons holding or representing by proxy at least one-third of the total voting rights of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total voting rights of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

The relevant Article does not impose more significant conditions than the Companies Act in this regard.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Articles of Association on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

This page has been intentionally left blank.

This page has been intentionally left blank.

CORPORATE MILESTONES

2001

- Company incorporated on 2 May 2001

2002

- We received licence to operate from Ministry of Health in June 2002
- We became the first private cord blood bank in Singapore to release a cord blood unit in November 2002

2003

- Merged with Cytomatrix LLC in April 2003

2004

- Holding company Cygenics Limited was listed on the Australian Securities Exchange in June 2004
- We expanded cord blood banking facility in Singapore at Camden Medical Centre in September 2004

2005 - 2006

- Entered Hong Kong and the PRC markets, through Cordlife Hong Kong in March 2005
- Singapore facility became one of the first in Asia to be accredited AABB in September 2005

2007 - 2008

- Cygenics Limited was renamed Cordlife Limited ("CBB") in June 2007
- Hong Kong facility certified ISO:9001 since August 2007
- Launched Singapore facility in April 2008 at current Science Park II location due to strong growth in demand for Cordlife's cord blood banking services

2009 - 2010

- On 30 October 2009, CBB invested 10% equity stake in Guangzhou Tianhe Nuoya, a company engaged in providing cord blood banking services in Guangdong province
- First in Singapore to release a cord blood unit for treatment of cerebral palsy in September 2009
- First in Singapore to release a cord blood unit for treatment of neuroblastoma in March 2010
- Cordlife Hong Kong and 10% indirect stake in Guangzhou Tianhe Nuoya were transferred to the Group in 2010

2011

- First in Hong Kong to release a cord blood unit for treatment of neuroblastoma in January 2011
- Launched provision of umbilical cord tissue banking services in Hong Kong in March 2011
- Demerged from CBB on 30 June 2011
- Hong Kong facility accredited by AABB in October 2011

2012

- In January 2012, began the process of establishing a branch office in Shenzhen to undertake marketing activities in Guangdong province
- Entered into a subscription agreement to invest S$1.5 million in CSCT, which holds 85% of Cordlife India

AWARDS*

Best Medical Service Award 2010
by Capital CEO Supreme Brand Awards

Top Pregnant / Baby Products Award 2011
by Pregnancy Magazine

Outstanding Financial Strength Cord Blood Bank 2011
by Quamnet Outstanding Enterprise Awards

Most Popular Brand Award 2010 – The Most Popular Cord Blood Bank
by TVB Weekly

U-Choice Lifestyle Brand Award 2010
by Metroinfo FM99.7

* Awards received by Cordlife Hong Kong

cordlife
one chance, one choice.

61 Science Park Road
#05-16/18 The Galen
Singapore Science Park II
Singapore 117525

Tel: (65) 6238 0808
Fax: (65) 6238 1108

Website: www.cordlife.com/sg