

## Cordlife's Q2 net profit soars 192.7% to \$5.6m

By **LEE MEIXIAN**

CORDLIFE Group Limited's net profit for the second quarter ended Dec 31, 2012, soared 192.7 per cent to \$5.6 million, as revenue climbed 23.9 per cent year-on-year to \$8.8 million.

This was driven by more client deliveries, as well as a one-time gain of \$2.7 million from disposing its interest in China Stem Cells (South) Company (CSCS) in Q2, the cord blood banking firm said yesterday.

Late last year, Cordlife bought a 10 per cent stake in China Cord Blood Corporation, China's largest cord blood banking operator, for US\$20.8 million. It financed its purchase by disposing its 10 per cent interest in CSCS for

US\$16.8 million, with the balance funded from IPO proceeds.

Half-year net profit rose 123.2 per cent to \$8.4 million, on the back of an 18.4 per cent revenue growth to \$17 million.

Cordlife's executive director and chief executive Jeremy Yee attributed the firm's performance to its "successful marketing efforts aimed at educating expectant parents on the benefits of cord blood banking services".

Cord blood is collected upon delivery of babies because it is rich in stem cells, which can be used in a variety of medical treatments.

The group expects to remain profitable for its financial year 2013, thanks to the recently announced procreation incentives here.

Mr Yee said: "Our group is in a niche area of the health-care sector that is poised to benefit from the enhanced Marriage & Parenthood Package."

He added that the extension of the Child Development Account until when a child turns 12, as well as the increases in the Baby Bonus scheme, will enable more parents to store their children's precious cord blood stem cells as an additional medical-treatment alternative.

Hong Kong and China, where Cordlife operates, also have low birth rates; in China, it is because of its one-child policy.

Cordlife's board proposed an interim dividend of one cent, payable on April 5.

The stock closed at 66 cents yesterday, up 3.5 cents.