

## NEWS RELEASE

### **CORDLIFE TO ACQUIRE CORD BLOOD AND CORD TISSUE BANKING BUSINESSES AND ASSETS IN INDIA, THE PHILIPPINES, HONG KONG AND INDONESIA**

- ***Transaction to enlarge the Group's geographical footprint in Asia;***
- ***A\$5.5 million acquisition in line with Cordlife's stated intentions in its March 2012 prospectus to expand operations overseas.***

**Singapore, 17 May 2013 – Cordlife Group Limited** (“Cordlife”, and together with its subsidiaries, the “Group”), a leading cord blood and tissue banking service provider, announced that it has entered into a conditional sale and purchase agreement (“S&P Agreement”) with Cordlife Limited (“CBB”), a company listed on the Australian Securities Exchange, to acquire CBB’s cord blood and cord tissue banking businesses and assets in India, the Philippines, Hong Kong and Indonesia for an aggregate consideration of A\$5.5 million.

The acquisition will enable Cordlife to enlarge its geographical footprint in Asia, and is in line with the Group’s stated intentions in its 21 March 2012 prospectus to expand its business operations overseas.

Mr Jeremy Yee, Executive Director and Chief Executive Officer of Cordlife said, “With this acquisition, we have achieved yet another milestone in our Group’s expansion plans, and in a shorter span of time than anticipated. The operations in India, the Philippines and Indonesia have developed at astounding speed, which is indicative that these countries are fast-growing markets with their economies driven by a burgeoning middle-class and rising affluence.”

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*The initial public offering of Cordlife’s shares was sponsored by PrimePartners Corporate Finance Pte. Ltd., who assumes no responsibility for the contents of this news release.*

According to a 10 April 2013 report by Deloitte & Touche Financial Advisory Services Limited (“the Deloitte report”), the 2007 – 2011 Compound Annual Growth Rate of annual incremental storage units for private cord blood banks in these three countries are at 38% for Indonesia, and 35% for the Philippines and India.

Mr Yee continued: “We are looking to tap into the growth story of these nations and expand our geographical footprint in Asia as part of our horizontal growth plans. In terms of our vertical growth, we recently became the first in Singapore to launch umbilical cord tissue banking services. In just slightly more than a year since our March 2012 listing on SGX, we are already accomplishing many of the plans outlined in our prospectus, thanks in part to good industry momentum in the region, where more people are becoming aware of the benefits of private cord blood and tissue banking for their children.”

### **The acquisition**

Under the S&P Agreement, the Group will acquire from CBB’s direct wholly-owned subsidiary, Cordlife Services (S) Pte. Ltd. (“Cordlife Services”) the following:

- (i) 2,897,540 ordinary shares of CS Cell Technologies Pte. Ltd. (“CSCT Singapore”); and
- (ii) 1,000,000 ordinary shares of Cordlife Stem Cell Technology Limited (“CSCT Hong Kong”),

both representing 100% of the respective companies’ issued and paid-up share capital.

CSCT Singapore is an investment holding company which holds 85% of the issued and paid-up ordinary share capital of Cordlife Sciences India Pvt. Ltd. ("Cordlife India"), a company incorporated in India and whose principal business activity is the provision of cord blood and cord tissue banking services in India. Following a restructuring exercise ("Restructuring") involving the transfer of 107,195 common shares in the capital of Cordlife Medical Phils., Inc. ("Cordlife Philippines") by Cordlife Services to CSCT Singapore, CSCT Singapore shall also hold approximately 99.99% of the issued share capital of Cordlife Philippines.

The Group will also acquire the following assets from CBB's indirect wholly-owned subsidiary, P.T. Cordlife Indonesia ("Cordlife Indonesia"):

- (i) certain customer contracts;
- (ii) the cord blood storage tanks; and
- (iii) certain equipment,

in connection with Cordlife Indonesia's cord blood banking business.

Conditions for the completion of the acquisition include: CBB obtaining their shareholders' approval for the acquisition, the completion of the Restructuring and the redemption by CSCT Singapore of the outstanding unsecured convertible bonds due 2014 of an aggregate principal amount of S\$1.5 million held by Cordlife.

### **Consideration for the acquisition**

The aggregate consideration of A\$5.5 million for the acquisition was arrived at on a willing-buyer willing-seller basis, taking into account amongst other factors, aggregate net tangible asset value of the assets to be acquired of approximately A\$3.7 million as at 31 December 2012.

The consideration will be fully satisfied in cash (50% on completion of the acquisition and the remaining 50% three months thereafter) and funded by the net proceeds raised from the Group's initial public offering ("IPO"). This is in line with Cordlife's intentions, as disclosed in its prospectus, to use S\$16.6 million, or about 55.9% of its net IPO proceeds to develop and expand the Group's business and operations in Singapore and overseas.

The acquisition is not expected to have any material effect on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 30 June 2013.

For more information on the acquisition, Cordlife's shareholders may refer to the announcement made by Cordlife on 17 May 2013 and released on the SGXNET.

#### **ABOUT CORDLIFE GROUP LIMITED (Bloomberg stock code: CLGL)**

Incorporated in May 2001, Cordlife Group Limited is an award-winning and established cord blood and tissue banking service provider. Amongst the first private cord blood banks in Asia, the Group has established a dominant market leader position in Singapore<sup>1</sup>. Today, it has the larger market share of the only two private cord blood banks in Singapore. In Hong Kong, it is amongst the three market leaders for private cord blood banks.

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<sup>1</sup> Source : Deloitte & Touche Financial Advisory Services Limited report, 10 April 2013

The Group collects, processes, tests, cryopreserves and stores stem cells from the umbilical cord blood of the child at birth, allowing customers to preserve their child's cord blood stem cells for treatment later in his or her life if their child so requires. In March 2011, the Group launched umbilical cord tissue banking service in Hong Kong, offering an additional service that allows customers to collect and store their child's umbilical cord tissue, which is a rich source of mesenchymal and epithelial stem cells and may potentially help repair the body in different ways. In May 2013, the Group launched this additional service in Singapore.

Cordlife's business model, which allows customers to opt for a one-time lump sum payment, or annual payments until the child reaches maturity (21 years old in Singapore and 18 years old in Hong Kong), provides the Group with a stable pool of recurring cash flow.

In addition, Cordlife, through its collaborative relationships or arrangements with major private hospitals and clinics such as Thomson Medical, Parkway East Hospital and Raffles Hospital, has continued to increase public awareness of its cord blood banking services in Singapore. Overseas, the Group has a 10% direct stake in China Cord Blood Corporation – a top operator in China holding majority shares in the Beijing, Guangdong and Zhejiang Cord Blood Banks, and an approximately 20% share in Shandong Cord Blood Bank.

Cordlife was amongst the first cord blood banks in Asia to be accredited by AABB (formerly known as the American Association of Blood Banks), an association involved in the field of transfusion medicine and cellular therapies. The Group is one of the first private cord blood banks in Singapore and amongst the first in Hong Kong to have released cord blood units for transplants and other therapeutic use. In Singapore, Cordlife was the first private cord blood bank to release cord blood units for the treatment of cerebral palsy.

Cordlife's track record has won the Group many accolades and awards, including: 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 2012 by Quamnet Outstanding Enterprise Awards; Most Popular Brand Award 2010 – The Most Popular Cord Blood Bank by TVB Weekly; and U-Choice Lifestyle Brand Award 2010 by Metroinfo FM99.7<sup>2</sup>. In October 2012, Cordlife was awarded the prestigious SIAS Investors' Choice Awards as runner-up in the "Most Transparent Company Award 2012" New Issues Category.

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ISSUED ON BEHALF OF	:	Cordlife Group Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd
		55 Market Street
		#02-01
		SINGAPORE 048941
CONTACT	:	Ms Dolores Phua / Ms Chelsea Phua
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9750-8237 / 9667-5837 (Handphone)
EMAIL	:	<a href="mailto:dolores.phua@citigatedrimage.com">dolores.phua@citigatedrimage.com</a> /
		<a href="mailto:chelsea.phua@citigatedrimage.com">chelsea.phua@citigatedrimage.com</a>

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<sup>2</sup> Awarded to Cordlife Hong Kong