

CORDLIFE GROUP LIMITED
(Company Registration No.: 200102883E)
(Incorporated in the Republic of Singapore)

**ANNOUNCEMENT IN RELATION TO THE PROPOSED ACQUISITION OF
19.92% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF STEMLIFE BERHAD**

1. INTRODUCTION

The Board of Directors ("**Directors**") of Cordlife Group Limited (the "**Company**") is pleased to announce that the Company has, on 3 September 2013, entered into a conditional sale and purchase agreement (the "**SPA**") with Dato' Low Su-Shing and Dato' Lim Oi Wah (the "**Vendors**"), in relation to the proposed acquisition by the Company of an aggregate of 49,302,000 ordinary shares of par value RM0.10 each ("**Shares**") in the capital of StemLife Berhad ("**StemLife**"), representing 19.92% of the issued and paid-up share capital of StemLife (the "**Sale Shares**") as at the date of the SPA (the "**Acquisition**").

2. INFORMATION ON STEMLIFE

StemLife is the first stem cell banking and therapeutics company in Malaysia. Incorporated in 2001, StemLife is currently listed on the ACE Market (previously known as the Malaysian Exchange of Securities Dealing and Automated Quotation) of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**").

As of 2008, StemLife is a fully licensed cord blood banking facility with the Ministry of Health Malaysia and is the first cord blood banking company in Malaysia to provide umbilical cord blood-derived stem cells for bone marrow transplantation in paediatric leukemia and adult stem cells for use in treatment of blood-related disorders, foot ulcers and sports and trauma injuries. StemLife offers stem cell banking services for immediate or future use to expecting parents who wish to store their baby's umbilical cord blood, and to individuals who wish to store their own adult stem cells. In addition, StemLife provides stem cell consultancy and therapeutic services and works closely with medical specialists to provide cost-efficient and personalised treatment. Current stem cell therapies available at StemLife are applications in oncology, haematology and diabetic foot ulcers. StemLife operates its own 24-hour processing, testing, and cryopreservation facility in central Kuala Lumpur, Malaysia.

As at the date of this Announcement, StemLife has an issued and paid-up share capital of RM24,750,000, comprising 247,500,000 Shares.

*The initial public offering of Cordlife Group Limited's shares was sponsored by PrimePartners Corporate Finance Pte. Ltd. ("**Issue Manager**"). The Issue Manager assumes no responsibility for the contents of this Announcement.*

3. **RATIONALE FOR THE ACQUISITION**

The Acquisition is in line with the Company's stated intentions in its prospectus dated 21 March 2012 to develop and expand its business and operations overseas. The Acquisition will enable the Company to invest in and expand its geographical footprint in Asia to Malaysia and Thailand through StemLife and its associated company, Thai StemLife Co Ltd.. Subject to, *inter alia*, market conditions and/or regulatory approvals (if applicable), the Company intends to continue to grow its presence in these countries, whether through an additional investment in StemLife or otherwise.

4. **CONDITIONS AND COMPLETION OF THE ACQUISITION**

Under the SPA, completion of the Acquisition ("**Completion**") is conditional upon the fulfillment or waiver of certain conditions including, *inter alia*, the approval-in-principle for the additional listing application being obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the admission of the Consideration Shares (as defined below) to the official list on the Main Board of the SGX-ST and the dealing and quotation of such shares on the SGX-ST upon the allotment and issue of the Consideration Shares, by 30 September 2013.

Completion shall take place on the date falling five (5) business days after the date on which the conditions in the SPA have been fulfilled or waived (as the case may be). On Completion, StemLife will become an associated company of the Company.

5. **CONSIDERATION FOR THE ACQUISITION**

The aggregate consideration (the "**Consideration**") for the Acquisition is RM29,581,200 (which is equivalent to approximately S\$11,508,000 based on an exchange rate of S\$1 : RM2.57044) and is based on an agreed price of RM0.60 per Sale Share. The Consideration was arrived at after negotiation on an arm's length basis and on a willing-buyer willing-seller basis taking into account, amongst other factors, the aggregate net tangible asset value of StemLife of approximately RM33.8 million, and StemLife's cash balance of RM72.77 million and deferred income from operations of RM57.06 million as at 30 June 2013 (based on the unaudited condensed consolidated financial statements of the StemLife group for the second quarter and half year ended 30 June 2013 as announced by StemLife on 26 August 2013). StemLife also generated cash from operating activities of RM4.32 million for the half year ended 30 June 2013.

The aggregate market value of the Sale Shares is RM17,995,230, based on the volume weighted average price of the Shares traded on Bursa Malaysia on 3 September 2013, being RM0.365 per Share.

Under the SPA, subject to the fulfillment or waiver (as the case may be) of the conditions in the SPA, the Consideration shall, unless elected by the Company at its sole and absolute discretion to pay the Consideration fully in cash, be satisfied by the Company on Completion as follows:

- (a) the allotment and issue of 8,000,000 new ordinary shares ("**CGL Shares**") in the issued share capital of the Company (the "**Consideration Shares**") to the Vendors, at an issue price of S\$1.30 for each Consideration Share; and
- (b) the payment of an aggregate cash sum of RM2,848,624 to the Vendors.

The Consideration Shares represent 3.33% of the Company's enlarged issued and paid-up share capital as at the date hereof and will be allotted and issued pursuant to the Company's general mandate obtained from its shareholders to issue CGL Shares at the Company's last annual general meeting held on 19 October 2012. The Company will be applying to the SGX-ST for its approval-in-principle on the listing and quotation of the Consideration Shares and will, upon the receipt of such approval, make an appropriate announcement on the SGXNET in accordance with the listing manual of the SGX-ST (the "Listing Manual"). Such approval, if obtained from the SGX-ST, should not be taken as an indication of the merits of the Acquisition, the Consideration Shares, the Company and/or its subsidiaries.

The Acquisition is not expected to have any material effect on the consolidated net tangible assets and earnings per share of the Company and its subsidiaries for the financial year ending 30 June 2014.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition. The Vendors are not interested persons under Chapter 9 of the Listing Manual.

7. DOCUMENTS FOR INSPECTION

A copy of the SPA may be inspected during the Company's normal business hours on any business day for a period of three (3) months from the date of this Announcement at the registered office of the Company at 1 Yishun Industrial Street 1, #06-01/09, A'POSH BIZHUB, Singapore 768160.

By Order of the Board
CORDLIFE GROUP LIMITED

Mr Yee Pinh Jeremy
Director
4 September 2013