

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

ANNOUNCEMENT IN RELATION TO THE PROPOSED ACQUISITION OF:

- (1) **100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF CS CELL TECHNOLOGIES PTE. LTD.;**
 - (2) **100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF CORDLIFE STEM CELL TECHNOLOGY LIMITED; AND**
 - (3) **CERTAIN ASSETS OF P.T. CORDLIFE INDONESIA**
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1. INTRODUCTION

The Board of Directors ("**Directors**") of Cordlife Group Limited (the "**Company**") is pleased to announce that the Company has, on 17 May 2013, entered into a conditional sale and purchase agreement (the "**S&P Agreement**") with Cordlife Limited (the "**Vendor**"), a company incorporated in Australia and listed on the Australian Securities Exchange, in relation to the proposed acquisition (the "**Acquisition**") by the Company and/or its nominee(s) of:

- (a) the following shares from the Vendor's direct wholly-owned subsidiary, Cordlife Services (S) Pte. Ltd. ("**Cordlife Services**"):
 - (i) 2,897,540 ordinary shares in the capital of CS Cell Technologies Pte. Ltd. ("**CSCT Singapore**"), representing 100% of the issued and paid-up share capital of CSCT Singapore; and
 - (ii) 1,000,000 ordinary shares in the capital of Cordlife Stem Cell Technology Limited ("**CSCT Hong Kong**"), representing 100% of the issued and paid-up share capital of CSCT Hong Kong,

(the "**Sale Shares**"); and
- (b) the following assets from the Vendor's indirect wholly-owned subsidiary, P.T. Cordlife Indonesia ("**Cordlife Indonesia**"):
 - (i) certain contracts entered into by Cordlife Indonesia in connection with Cordlife Indonesia's cord blood banking business (the "**Indonesian Contracts**");
 - (ii) certain cord blood storage tanks held by Cordlife Indonesia in connection with its cord blood banking business and the Indonesian Contracts (the "**Indonesian Cord Blood Tanks**"); and
 - (iii) certain equipment of Cordlife Indonesia,

(the "**Indonesian Assets**", together with the Sale Shares collectively, the "**Assets**").

*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.*

2. INFORMATION ON THE ASSETS

(a) CSCT Singapore

CSCT Singapore is a direct wholly-owned subsidiary of Cordlife Services incorporated in Singapore on 9 November 2011. Its principal business activity is that of an investment holding company.

CSCT Singapore holds 85% of the issued and paid-up ordinary share capital of Cordlife Sciences India Pvt. Ltd. ("**Cordlife India**"), a company incorporated in India on 16 December 2005. Cordlife India's principal business activity is the provision of cord blood and cord tissue banking services in India.

Cordlife Medical Phils., Inc. ("**Cordlife Philippines**") is a direct wholly-owned subsidiary of Cordlife Services incorporated in the Philippines on 19 January 2006. Its principal business activity is the provision of cord blood and cord tissue banking services in the Philippines. Following a restructuring exercise (to be procured by the Vendor under the terms of the S&P Agreement) involving the transfer by Cordlife Services to CSCT Singapore of 107,195 common shares in the capital of Cordlife Philippines (the "**Restructuring**"), CSCT Singapore shall also on Completion (as defined below) hold approximately 99.99% of the issued share capital of Cordlife Philippines.

(b) CSCT Hong Kong

CSCT Hong Kong is a direct wholly-owned subsidiary of Cordlife Services incorporated in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") on 28 February 2011. Its principal business activity is the provision of cord tissue storage services.

(c) Indonesian Assets

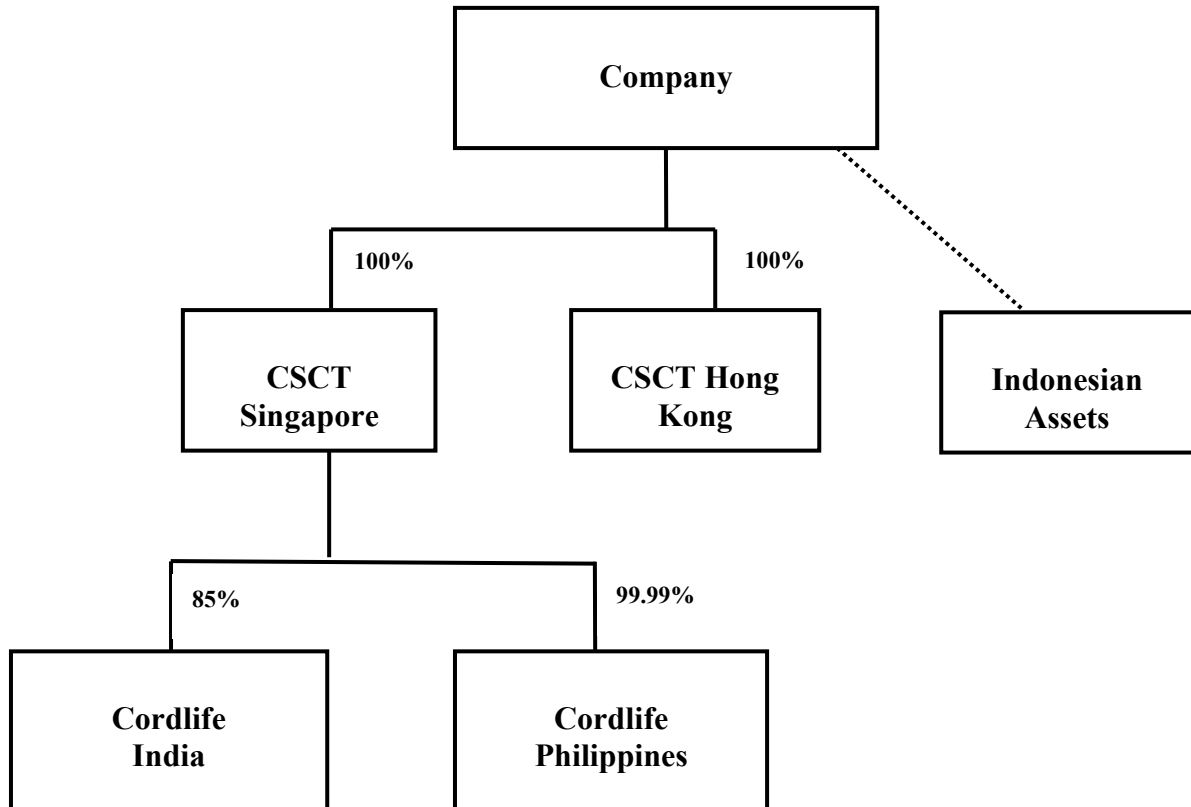
Cordlife Indonesia is an indirect wholly-owned subsidiary of Cordlife Services incorporated in Indonesia on 25 July 2005. Its principal business activity is the provision of cord blood banking services in Indonesia. The Indonesian Assets to be acquired are the customer contracts entered into and the cord blood storage tanks and equipment held by Cordlife Indonesia in connection with its cord blood banking business.

3. RATIONALE FOR THE ACQUISITION

It was disclosed in the Company's prospectus dated 21 March 2012 (the "**Prospectus**") that pursuant to a right of first refusal agreement dated 30 June 2011 between the Company and the Vendor, the Company was granted a right of first refusal to acquire the Vendor's cord blood banking business in (i) Indonesia and the Philippines for a period of three (3) years and (ii) in India for a period of five (5) years, from 30 June 2011.

Accordingly, the Company is of the view that the Acquisition is in line with the Company's stated intentions in the Prospectus to expand its operations overseas and that the Acquisition will enable the Company to expand its geographical footprint and business operations in the ordinary course in Asia to the relevant jurisdictions in India, the Philippines, Indonesia and Hong Kong.

Subject to and following completion of the Acquisition ("**Completion**"), the Company shall hold CSCT Singapore, Cordlife India, Cordlife Philippines, CSCT Hong Kong (collectively, the "**Group Companies**") and the Indonesian Assets as follows:



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

Under the S&P Agreement, Completion is conditional upon the fulfillment or waiver of, *inter alia*, the following conditions (the "**Conditions**"):

- (a) receipt by the Company of such waivers or consents as may be necessary to enable the Company and/or its nominee to be registered as holder of the Sale Shares and the Indonesian Cord Blood Tanks;
- (b) a majority of the shareholders of the Vendor having approved the Acquisition;
- (c) all other consents and approvals required under any and all applicable laws for the Acquisition (including, without limitation, such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Vendor, Cordlife Services, CSCT Singapore, Cordlife India, Cordlife Philippines, CSCT Hong Kong or Cordlife Indonesia is a party or by which such parties or their respective assets are bound) being obtained;
- (d) the Restructuring having been completed;
- (e) redemption by CSCT Singapore of the outstanding unsecured convertible bonds due 2014 of an aggregate principal amount of S\$1,500,000 held by the Company; and

- (f) the repayment and/or release of all intra-group indebtedness between the Group Companies and members of the Vendor's group of companies (excluding the Group Companies) (the "**Vendor Group**") and the full and complete discharge of all intra-group guarantees given to any third party (i) by the Group Companies in respect of any liability of the Vendor Group or (ii) by any member of the Vendor Group in respect of any liability of the Group Companies,

and shall take place on the date falling 10 business days after the date on which the Conditions have been fulfilled or waived (as the case may be) or such other date as the Company and the Vendor may mutually agree in writing.

In the event that the Conditions are not fulfilled or waived (as the case may be) by 31 August 2013 (or such other date as the Company and the Vendor may agree in writing), the S&P Agreement shall be terminated in accordance with its terms.

5. CONSIDERATION FOR THE ACQUISITION

The aggregate consideration for the Acquisition is A\$5,500,000 (the "**Consideration**"). The Consideration was arrived at on a willing-buyer willing-seller basis taking into account, amongst other factors, the aggregate net tangible asset value of the Assets of approximately A\$3,700,000 as at 31 December 2012.

The Consideration shall be satisfied by the Company wholly in cash and will be paid to the Vendor in the following manner:

- (a) 50% of the Consideration on Completion; and
- (b) the remaining 50% of the Consideration on the date falling three (3) months after the date of Completion.

The Consideration will be funded by the net proceeds raised from the initial public offering ("**IPO**") of the Company on the Singapore Exchange Securities Trading Limited. As disclosed in the Prospectus, the Company intended to use S\$16,600,000 (representing approximately 55.9% of the IPO proceeds of the Company) for the purposes of developing and expanding the Company's business and operations in Singapore and overseas. The Company intends to utilise the amounts allocated for such purposes to pay for the Consideration. The above utilisation is in accordance with the intended use of the proceeds from the IPO and in accordance with the percentage allocated, as stated in the Prospectus. The Company will make further announcements via SGXNET when the remaining proceeds of the Company's IPO are materially disbursed.

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 2013.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, Dr Ho Choon Hou (the Chairman and a non-executive Director of the Company) has an interest in 529,061 ordinary shares in the capital of the Vendor, representing approximately 0.31% of the issued and paid-up share capital of the Vendor, Ms Jin Lu (a non-executive Director of the Company) has an interest in 650,000 ordinary shares in the capital of the Vendor, representing approximately 0.38% of the issued and paid-up share capital of the Vendor and Mr Yee Pinh Jeremy (the Chief Executive Officer and an executive Director of the Company) has an interest in 5,000 ordinary shares in the capital of the Vendor, representing approximately 0.0029% of the issued and paid-up share capital of the Vendor.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

7. DOCUMENTS FOR INSPECTION

A copy of the S&P Agreement 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
17 May 2013