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

ACQUISITION OF 7% SENIOR CONVERTIBLE NOTE DUE 2017 ISSUED BY CHINA CORD BLOOD CORPORATION

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1. INTRODUCTION

The Board of Directors (the "**Directors**") of Cordlife Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a convertible note sale agreement (the "**Agreement**") with Magnum Opus International Holdings Limited ("**Magnum**", and together with the Company, the "**Purchasers**") and Golden Meditech Holdings Limited (the "**Vendor**") pursuant to which the Purchasers have agreed to purchase from the Vendor a 7% senior convertible note (the "**Convertible Note**") due 3 October 2017 issued by China Cord Blood Corporation ("**CCBC**") to the Vendor on 3 October 2012 in the principal amount of US$50,000,000. The Company will purchase 50% of the Convertible Note (the "**CGL Acquisition**"), and Magnum will purchase the remaining 50% of the Convertible Note (the "**Magnum Acquisition**", and together with the CGL Acquisition, the "**Acquisition**").

Under the terms of the Agreement, the Vendor will procure CCBC to issue to each of the Company and Magnum, a 7% senior convertible note due 3 October 2017 in the principal amount of US$25,000,000 (the "**CGL Note**" and the "**Magnum Note**", respectively). The CGL Note and the Magnum Note will each be in substantially the form of the Convertible Note.

In connection with the Acquisition, the Company and Magnum entered into a facility agreement dated 25 August 2014 (the "**Facility Agreement**"), pursuant to which the Company will lend Magnum funds in an aggregate amount of up to US$46,500,000 for the purposes of financing (a) the consideration payable by Magnum for the Magnum Note and (b) the costs, fees and expenses incurred by Magnum in connection with the Magnum Acquisition.

Magnum, a company incorporated in the British Virgin Islands, is controlled by Mr. Yuen Kam, the Chairman of CCBC, and involves the CCBC management team. The Company understands that Magnum was incorporated for the purpose of the Magnum Acquisition and has not carried out any other activities other than those in connection with the Magnum Acquisition.

Based on the Company's Register of Substantial Shareholders, as at the date of this announcement (the "**Announcement**"), the Vendor, through its ownership in CCBC, has a deemed interest in 24,366,666 ordinary shares ("**Shares**") of the Company, amounting to approximately 9.23% of the total number of issued Shares, excluding 3,422,000 treasury shares.

The Vendor is an indirect shareholder of CCBC with a shareholding interest of approximately 42.03%, based on the 73,003,248 ordinary shares of US$0.0001 per share outstanding in CCBC ("**CCBC Shares**") as at 31 March 2014. Mr. Yuen Kam is also the Chairman and Chief Executive of the Vendor.

The CGL Acquisition is not an interested person transaction under Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

2. INFORMATION REGARDING CCBC

CCBC (NYSE: CO), a company incorporated in the Cayman Islands and listed on the New York Stock Exchange, is the first and largest cord blood banking operator in the People's Republic of China (the "**PRC**") in terms of geographical coverage and is the only cord blood banking operator with multiple licences in the PRC. CCBC has exclusive rights to operate the cord blood banking business in Beijing, Guangdong and Zhejiang. CCBC also holds a 24.00% equity interest in Shandong Province Qilu Stem Cells Engineering Co. Ltd., the exclusive cord blood banking operator in the Shandong province.

CCBC provides cord blood collection, laboratory testing, hematopoietic stem cell processing and stem cell storage services. For more information, please visit CCBC's website at www.chinacordbloodcorp.com.

As at the date of this Announcement, the Company has a shareholding interest in 7,314,015 CCBC Shares, representing approximately 10.02% of the total outstanding share capital of CCBC, based on the 73,003,248 issued and outstanding CCBC Shares. Pursuant to the terms and conditions of the Magnum Note and the CGL Note, the total number of CCBC Shares to be issued upon full conversion of the Magnum Note and the CGL Note ("**Conversion Shares**") is 17,618,040 CCBC Shares, representing approximately 24.13% and 19.44% of the total existing outstanding share capital of CCBC as at the date of this Announcement, and the total enlarged share capital of CCBC upon full conversion of the Magnum Note and the CGL Note, respectively. Assuming full conversion of the Magnum Note and the CGL Note by Magnum and the Company, respectively, after completion of the Acquisition ("**Completion**") and assuming no other change in the outstanding share capital and shareholding in CCBC, Magnum and the Company will hold approximately 9.72% and 17.79% of the enlarged share capital of CCBC, respectively.

3. RATIONALE FOR THE CGL ACQUISITION

The CGL Acquisition allows the Company to achieve the following objectives:

(a) Under the current regulatory regime in the PRC, a licensed cord blood banking operator may only operate in the region in which it is licensed to operate. In addition, only one licensed cord blood banking operator is permitted to operate in each licensed region of the PRC, and only seven licences have been issued as at the date of this Announcement. As the ability to enter the PRC market is limited, investing in CCBC will therefore provide the Company with increased exposure to three such licensed regions in the PRC market.

(b) Since the Company's initial investment in CCBC in August 2012, CCBC has increased its service penetration rate, and as a result, has experienced a steady growth in its subscriber base. CCBC has also been successful in introducing upfront payment plans to its customers, which have enhanced its ability to generate cash. In addition, CCBC is poised to expand its operations in Zhejiang with the completion of a new storage facility. It is anticipated that, barring unforeseen circumstances, the CGL Acquisition will enable the Company to increase its returns from its investment in CCBC.

(c) The CGL Acquisition will entitle the Company to coupon payments of US$1,750,000 per annum. Accordingly, the CGL Acquisition will provide the Company with a steady source of income up to the maturity of the CGL Note. In addition, upon maturity of the CGL Note, the Company is entitled to receive an amount in cash that would yield a

Total Internal Rate of Return[1] of 12% on the US$25,000,000 principal amount of the CGL Note.

The rationale for the Company's initial investment into CCBC is set out in the Company's announcement of 15 August 2012, which can be found on the website of the SGX-ST at www.sgx.com.

4. SALIENT TERMS OF THE ACQUISITION

4.1 Consideration and Payment

The total consideration for the Acquisition is US$88,090,000 (which is equivalent to approximately S$109.76 million) (the "**Consideration**"). Under the terms of the Agreement, each of the Purchasers will purchase 50% of the outstanding principal amount of the Convertible Note at a purchase price of US$44,045,000, being 50% of the Consideration.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchasers on a willing-buyer and willing-seller basis after taking into account factors such as:

(a) the consolidated net asset value of CCBC of approximately RMB1,435,042,000 (which is equivalent to approximately S$291.31 million) as at 31 March 2014;

(b) the prevailing market price of CCBC Shares of US$4.77 (which is equivalent to approximately S$5.94) as at 22 August 2014, being the last trading day of CCBC Shares immediately before the date of this Announcement;

(c) the share price of CCBC Shares traded at a historical low of US$3.30 and a historical high of US$5.70 for the past 52-week period before the date of this Announcement; and

(d) the book value of the Convertible Note as at 31 March 2014.

The Company intends to finance the CGL Acquisition by way of internal funds and/or loan facilities for general corporate purposes.

Based on the latest financial statements of the Vendor for the financial year ended 31 March 2014, the book value of the Convertible Note is approximately US$77.54 million. Accordingly, the book value of the CGL Note is approximately US$38.77 million.

The CGL Note bears interest at a rate equal to 7% per annum, which amounts to US$1,750,000 annually, from the date immediately following the date of Completion until the principal amount becomes due and payable pursuant to the terms and conditions of the Convertible Note.

4.2 Conditions Precedent

Completion is conditional upon the satisfaction of the following conditions precedent:

[1] "Total Internal Rate of Return" refers to the annual rate based on a 365-day period used to discount each cash flow in respect of the CGL Note (such cash flow to include subscription or purchase consideration, cash dividends and distributions received, interest payments, any payments in connection with the issue of excess cash dividends and cash received from the sale or redemption of the CGL Note) to 3 October 2012 (the "**Issuance Date**") such that the present value of the aggregate cash flow equals zero. The Total Internal Rate of Return is calculated with reference to the period from the Issuance Date to the date on which the relevant payment is made in full.

(a) (i) compliance by the Vendor with all applicable requirements under the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange (the "**Hong Kong Listing Rules**") in relation to the transactions contemplated under the Agreement, including but not limited to obtaining approval from the independent shareholders of the Vendor, and (ii) all other consents and approvals required by the Vendor for the transactions contemplated under the Agreement being obtained and where any consent or approval is subject to conditions, such conditions being acceptable to the Vendor; and

(b) all consents and approvals required by the Company under any and all applicable laws and regulations for the transactions contemplated under the Agreement being obtained and, where any consent or approval is subject to conditions, such conditions being acceptable to the Company.

The Vendor and the Company have each agreed to use all reasonable efforts within their respective capacity to ensure that the conditions precedent are fulfilled before 5:00 p.m. Hong Kong time on 15 November 2014 (or such other date as the Vendor and the Purchasers may agree from time to time).

In this regard, an Extraordinary General Meeting of the Vendor (the "**Vendor EGM**") will be convened to approve the Acquisition, and the Company and its associates (as defined in the Hong Kong Listing Rules) are required to abstain from voting at the Vendor EGM. As at the date of this Announcement, the Company does not have any shareholding interest in the Vendor.

Under the terms of the Agreement, the Vendor is not obliged to complete the Acquisition unless the sale and purchase of the entire Convertible Note is completed simultaneously.

4.3 Other Terms

The Agreement provides that the Vendor must, within five business days after Completion, procure CCBC to sign a counterpart signature page to the registration rights agreement dated 3 October 2012 between the Vendor and CCBC in relation to the Convertible Note, with the Purchasers.

5. RATIONALE FOR AND SALIENT TERMS OF THE FACILITY AGREEMENT

5.1 Rationale for the Facility Agreement

The Directors are of the opinion that the Company's entry into the Facility Agreement is beneficial to the Group as it is in line with the Group's investment strategy to redeploy its capital more efficiently for higher yield investments and it is accretive to shareholders of the Company. The terms of the Facility Agreement enable the Company to generate a good return and interest income from the principal amount of the Facility Agreement.

5.2 Salient Terms of the Facility Agreement

Pursuant to the Facility Agreement, the Company will lend Magnum funds in an aggregate amount of up to US$46,500,000 for the purposes of financing (a) the consideration payable by Magnum for the Magnum Note and (b) the costs, fees and expenses incurred by Magnum in connection with the Magnum Acquisition, in each case, upon the terms and subject to the conditions set out in the Facility Agreement, including the requirement that Magnum provide security for its obligations under the Facility Agreement.

Further details of the security arrangements to be provided by Magnum will be announced in due course.

6. FINANCIAL EFFECTS

The unaudited pro forma financial effects analysis of the CGL Acquisition has been prepared on the following key bases and assumptions:

(a) based on, *inter alia*, the latest announced unaudited consolidated financial statements of the Group for the financial year ended 30 June 2014 (being the most recent available unaudited consolidated financial statements of the Group) (the "**Group Unaudited FY2014 Accounts**");

(b) for the purposes of illustrating the financial effects of the CGL Acquisition on the net tangible assets ("**NTA**") per Share of the Group, it is assumed that the CGL Acquisition had been completed on 30 June 2014;

(c) for the purposes of illustrating the financial effects of the CGL Acquisition on the earnings per Share ("**EPS**") of the Group, it is assumed that the CGL Acquisition had been completed on 1 July 2013;

(d) the NTA per Share is computed based on the 264,103,354 Shares in issue, excluding 3,422,000 treasury shares as at 30 June 2014, and the EPS of the Group is computed based on the weighted average price of 256,520,000 Shares in issue for the financial year ended 30 June 2014; and

(e) the financial effects of the CGL Acquisition are purely for illustrative purposes only and are neither indicative of the actual financial effects of the CGL Acquisition on the NTA per Share and EPS of the Group, nor do they represent the future financial performance and/or position of the Group immediately following Completion.

6.1 Effect of the CGL Acquisition on the NTA per Share

On the bases and assumptions set out above, the pro forma effect of the CGL Acquisition on the NTA per Share of the Group is as follows:

	Before the CGL Acquisition	**After the CGL Acquisition**
NTA (S$'000)	139,351	139,351
NTA per Share (Singapore cents)	52.76	52.76

6.2 Effect of the CGL Acquisition on EPS

On the bases and assumptions set out above, the pro forma effect of the CGL Acquisition on the EPS of the Group is as follows:

	Before the CGL Acquisition	**After the CGL Acquisition**
Profit attributable to shareholders (S$'000)	30,521	30,836[1]
EPS (Singapore cents)	11.90	12.02

Note:

(i) Computed based on the sum of the interest income from the CGL Note less interest payable by the Company on the external borrowing to finance the CGL Acquisition.

7. RELATIVE FIGURES OF THE CGL ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the Group Unaudited FY2014 Accounts, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows for the CGL Acquisition:

Listing Rule	Bases	CGL Note (S$'000)	Group (S$'000)	Relative Figures
1006(a)	The NAV of the assets to be disposed of, compared with the Group's NAV	Not applicable to an acquisition of assets.		
1006(b)	The net profits[(i)] attributable to the CGL Note, compared with the Group's net profits	315	25,557[(ii)]	1.23%
1006(c)	The Company's portion of the Consideration, that is, S$54,880,000, compared with the Group's market capitalisation[(iii)]	54,880	324,847	16.89%
1006(d)	The number of equity securities issued by the Company as consideration for the CGL Acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable as no equity securities will be issued by the Company in connection with the CGL Acquisition.		

Notes:

(i) Please refer to the note in Section 6.2 above for computation of profit attributable to the CGL Note. The Group's net profits is defined as profit before income tax, minority interests and exceptional items.

(ii) The Group’s net profits before income tax and minority interests are taken from the Group Unaudited FY2014 Accounts and include the share of results of associate after income tax, fair value changes on financial asset designated as fair value through profit or loss, and fair value gain on investment properties.

(iii) The Group's market capitalisation is based on a total number of 264,103,354 Shares in issue, excluding 3,422,000 treasury shares, as at the date of this Announcement, and the volume weighted average price per Share of S$1.23 transacted on 25 August 2014, being the last market day preceding this Announcement.

Based on the above, the CGL Acquisition constitutes a discloseable transaction under Chapter 10 of the Listing Manual and is not subject to the approval of the shareholders of the Company as the relative figure under Rule 1006(c) exceeds 5% but is less than 20%.

8. 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 and/or the Facility Agreement. No person is proposed to be appointed as a Director of the Company in connection with the CGL Acquisition.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the following documents may be inspected at the registered office of the Company at 1 Yishun Industrial Street 1, #06-01/09 A'Posh Bizhub, Singapore 768160 during normal business hours for a period of three months from the date of this Announcement:

(a) the Agreement; and

(b) the Schedule 13D/A filed jointly by the Company, Magnum and Mr. Yuen Kam with the United States Securities and Exchange Commission in connection with the Acquisition, together with the following exhibits:

  (i) the joint filing agreement dated 25 August 2014 among the Company, Magnum and Mr. Yuen Kam;

  (ii) the share purchase agreement dated 15 August 2012 between CCBC and the Company in relation to the purchase of CCBC Shares by the Company;

  (iii) the Agreement;

  (iv) the waiver letter dated 27 September 2013 from the Company to CCBC, pursuant to which the Company irrevocably waived its right to appoint a nominee to the board of CCBC; and

  (v) the Facility Agreement.

For the purposes of this Announcement, conversion of US$ into S$ is based on the exchange rate of US$1.00 to S$1.246, and conversion of RMB into S$ is based on the exchange rate of RMB1.00 to S$0.203.

By Order of the Board
CORDLIFE GROUP LIMITED

Mr. Yee Pinh Jeremy
Director
25 August 2014