

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

COMMENCEMENT OF CONSENT SOLICITATION EXERCISE BY CORDLIFE GROUP LIMITED (THE "COMPANY") IN RELATION TO THE S\$120,000,000 4.90 PER CENT. NOTES DUE 2017 COMPRISED IN SERIES 001 (ISIN: SG6TG4000008) (THE "NOTES") ISSUED BY THE COMPANY PURSUANT TO ITS S\$500,000,000 MULTICURRENCY DEBT ISSUANCE PROGRAMME ESTABLISHED ON 14 OCTOBER 2014

Shareholders of the Company who are not otherwise holders of the Notes will not be eligible to attend or vote at a meeting of the Noteholders (the "Meeting") either in person or proxy.

Reference is made to:

- (a) the Notes (of which S\$ 68,250,000 in principal amount remains outstanding); and
- (b) the trust deed dated 14 October 2014 (the "**Trust Deed**") made between (1) the Company, as issuer, and (2) DB International Trust (Singapore) Limited, as trustee (the "**Trustee**") constituting the Notes.

The Company wishes to announce that it has today commenced a consent solicitation exercise ("**Consent Solicitation**") to seek the approval of the Noteholders for certain proposals described below.

Capitalised or other terms used but not defined herein shall, unless the context otherwise requires, have the meanings as set out in the consent solicitation statement dated 13 October 2016 (the "**Consent Solicitation Statement**") issued by the Company.

Background

The Company had in October 2014 issued the Notes partly to fund its acquisition of the 7% senior convertible note due 3 October 2017 in the principal amount of US\$25,000,000 issued by China Cord Blood Corporation (the "**CCBC Note**") for a consideration of US\$44,045,000. Part of the remaining funds raised pursuant to the issue of the Notes were used to grant a facility of up to US\$46,500,000 (the "**Facility**") to a third party, Magnum Opus International Holdings Limited ("**Magnum Opus**"), at a rate of interest per annum of 7% for the latter's acquisition of the CCBC Note. The Facility was for a period of 60 months after the first drawdown date and repayment would only commence after 42 months from the first draw down in four equal instalments.

Pursuant to the Company's shareholders' approval obtained at an extraordinary general meeting held on 14 September 2015, the Company disposed of its holding of the CCBC Note on 13 November 2015. Magnum Opus also subsequently repaid the Facility ahead of its due date of repayment.

One of the intended use of proceeds arising from the disposal of the CCBC Note was to redeem the Notes. Therefore, the Company would like to have the flexibility to redeem the Notes ahead of their scheduled maturity date. For this purpose, it would like to seek Noteholders' approval to include a call option (the "**Call Option**") in the conditions of the Notes (the "**Conditions of the Notes**") as set out in the extraordinary resolution at the Meeting (the "**Extraordinary Resolution**").

The Company was recording interest income from its holding of the CCBC Note and the Facility prior to the disposal of the CCBC Note and the repayment of the Facility. As the Company is no longer receiving such interest income, it could potentially be in breach of the ratio of EBITDA to the Interest Expense (the "**Interest Coverage Ratio**") under the Trust Deed and the Conditions of the Notes.

Therefore, the Company wishes to seek the approval of the Noteholders for the removal of such Interest Coverage Ratio from the Trust Deed and the Conditions of the Notes as set out in the Extraordinary Resolution.

As at 13 October 2016, the Company is in the process of preparing its financial statements for the three months ended 30 September 2016 and the results in respect of the Test Period ended 30 September 2016 are not yet available. As a precautionary measure to avoid any potential non-compliance with Clause 7.2.3 of the Trust Deed and Condition 4(b)(iii) of the Notes, the Company proposes to obtain waiver(s) for any non-compliance (if any) or any potential non-compliance (if any) with Clause 7.2.3 of the Trust Deed and Condition 4(b)(iii) of the Notes in respect of the Test Period. Further, the Company proposes to obtain waiver(s) of the occurrence of any Event of Default (if any) or Potential Event of Default (if any) arising from any such non-compliance.

To provide assurance to Noteholders of the Company's ability to fund its payment obligations under the Notes (whether in the event of exercise of the Call Option by the Company or otherwise), the Company further proposes to provide a new financial covenant to the Trustee based on the amount of cash and cash equivalents held by the Company and its subsidiaries comprising cash at bank and on hand and short-term deposits with a maturity of nine months or less and short-term investments in money market funds by the Company and its subsidiaries, none of which are subject to any security ("**Unencumbered Cash and Cash Equivalents**").

Consent Solicitation

The Consent Solicitation is being undertaken to seek the approval of the Noteholders at the Meeting by way of the Extraordinary Resolution to, among other things:

- (i) amend the Trust Deed and the Conditions of the Notes to include the Call Option in the Conditions of the Notes and replace the Interest Coverage Ratio with a new financial covenant requiring the Company to ensure that, for so long as any of the Notes or Coupons remains

outstanding, Unencumbered Cash and Cash Equivalents will not at any time be less than S\$75,000,000;

- (ii) waive any non-compliance or potential non-compliance with the Interest Coverage Ratio under Clause 7.2.3 of the Trust Deed and Condition 4(b)(iii) of the Notes in respect of the Test Period, waive the occurrence of any Potential Event of Default or Event of Default (as the case may be) under Condition 10(b) of the Notes, as a result of any non-compliance with the Interest Coverage Ratio under Clause 7.2.3 of the Trust Deed or Condition 4(b)(iii) of the Notes, and waive any requirement, covenant and term in the Trust Deed and the Notes which may or will be breached as a result of any non-compliance or potential non-compliance with the Interest Coverage Ratio under Clause 7.2.3 of the Trust Deed and Condition 4(b)(iii) of the Notes; and
- (iii) authorise, where applicable, the Trustee to execute all documents, notices, forms, instruments, consents or arrangements and also to concur in and execute and do all acts, things and documents as the Trustee may consider necessary, desirable or expedient to give effect to paragraphs (i) and (ii) above.

If the Extraordinary Resolution is duly passed at the Meeting, the Company may, at its option by giving not less than five business days' notice, on or before the Long-stop Date, being the day falling 90 days after the date on which the Supplemental Trust Deed is to be entered into, redeem all (and not some only) of the Notes at 101.35 per cent. of the principal amount of the Notes (comprising 100 per cent. of the principal amount of the Notes and a prepayment fee of 1.35 per cent. of the principal amount of the Notes), together with interest accrued to the date fixed for redemption. Upon such redemption taking place, the Notes will no longer be outstanding and the Noteholders will not be entitled to any further payments in respect of the Notes after such redemption.

Credit Suisse (Singapore) Limited has been appointed as the sole solicitation agent in connection with the Consent Solicitation. Further details on the Consent Solicitation can be found in the Notice of Meeting published in *The Business Times* and announced via SGXNET on 13 October 2016.

A copy of the Consent Solicitation Statement will be mailed to the Noteholders with an address in Singapore as reflected in the list of Noteholders maintained by The Central Depository (Pte) Limited. In order to avoid any violation of laws applicable in countries other than Singapore, the Consent Solicitation Statement has not been and will not be mailed to Noteholders who do not presently have an address in Singapore ("**Foreign Noteholders**"). Foreign Noteholders who wish to obtain a copy of the Consent Solicitation Statement should provide in writing such address in Singapore to the principal paying agent, Deutsche Bank AG, Singapore Branch (the "**Principal Paying Agent**"), not later than five days before the Early Consent Fee Deadline.

In addition, Noteholders may collect copies of the Consent Solicitation Statement, the Voting Certificate, the Voting Instruction Form and the Tax Residency Declaration Form from the office of the Principal Paying Agent, at One Raffles Quay, #16-00 South Tower, Singapore 048583 from 13 October 2016, between 9.00 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 10.00 a.m. (Singapore time) on 2 November 2016.

Questions and requests for further information and assistance in relation to the Consent Solicitation or the Consent Solicitation Statement may be directed to Credit Suisse (Singapore) Limited, in its capacity as sole solicitation agent, during normal office hours at its address and telephone number set forth on the back cover of the Consent Solicitation Statement. Questions or requests for assistance in connection with the submission or delivery of Voting Instructions and/or Voting Instruction Forms may be directed to Deutsche Bank AG, Singapore Branch, in its capacity as Principal Paying Agent, between 9.00 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays) at its address, telephone number and e-mail address set forth on the back cover of the Consent Solicitation Statement.

Responsibility Statement

The directors of the Company (including any director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Company has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

By Order of the Board of
Cordlife Group Limited

Dr. Wong Chiang Yin
Executive Director and Group Chief Executive Officer
13 October 2016

NOTE: This announcement does not constitute an invitation to participate in the Consent Solicitation. No offer or invitation to issue or redeem any notes is being made pursuant to this release. This announcement must be read in conjunction with the Consent Solicitation Statement. This announcement does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any notes of the Company or any other entity.