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

PROPOSED DISPOSAL OF SHARES IN CHINA CORD BLOOD CORPORATION AND 7% SENIOR UNSECURED CONVERTIBLE NOTE DUE 2017

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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 conditional purchase agreement (the "**Agreement**") dated 8 May 2015 with Golden Meditech Holdings Limited (the "**Purchaser**"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase from the Company 7,314,015 ordinary shares of par value US$0.0001 per share (the "**Sale Shares**") in China Cord Blood Corporation ("**CCBC**") and a 7% senior unsecured convertible note (the "**Convertible Note**" and together with the Sale Shares, the "**Disposal Assets**") due 3 October 2017 issued by CCBC to the Company in the principal amount of US$25 million (the "**Proposed Disposal**").

2. INFORMATION REGARDING CCBC

CCBC (NYSE: CO), a company incorporated in the Cayman Islands and listed on the New York Stock Exchange on 24 November 2009, is the first and largest umbilical 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. Under current PRC government regulations, only one licensed cord blood banking operator is permitted to operate in each licensed region and only seven (7) licences have been authorised. 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 shares in CCBC ("**CCBC Shares**"), representing approximately 9.13% of the total outstanding share capital of CCBC, based on 80,083,248 issued and outstanding CCBC Shares.

3. INFORMATION REGARDING THE PURCHASER

The Purchaser and its group of companies (the "**Purchaser Group**") is the PRC's leading integrated-healthcare device and service operator, and first medical device enterprise that was publicly listed outside of the PRC on the Hong Kong Stock Exchange. The Purchaser Group is involved in five (5) different businesses, namely (a) the medical device business, (b) the cord blood banking business, which is listed, through the Purchaser's subsidiary, CCBC, on the NYSE, (c) the hospital management business, (d) the medical insurance administration business, and (e) the Chinese herbal medicine business.

On 27 April 2015, the Purchaser issued a non-binding proposal letter to the board of directors of CCBC in relation to acquiring all the CCBC Shares which are not already directly or indirectly owned by the Purchaser at US$6.40 in cash (the "**U$6.40 Base Acquisition Price**") per CCBC Share (the "**Proposal**"). The Purchaser had stated that in connection with the Proposal, it also intends to acquire all the 7% senior unsecured convertible notes of CCBC.

4. INFORMATION REGARDING THE CONVERTIBLE NOTE

The Convertible Note bears interest at a rate equal to 7.00% per annum, which amounts to US$1,750,000 annually. Interest on the Convertible Note is payable annually on 3 October in arrears until the maturity of the Convertible Note. The last interest payment was made on 3 October 2014. The total number of CCBC Shares to be issued upon conversion of the Convertible Note will be 8,809,020 fully paid CCBC Shares (the "**Conversion Shares**"), at a conversion price of approximately US$5.00, based on the purchase price of US$44,045,000 paid by the Company for the Convertible Note.

5. SALE CONSIDERATION

Under the terms of the Agreement:

(a) the total consideration for the sale of the Sale Shares (the "**Share Consideration**") is the aggregate of (i) US$46,809,696, being the product of the US$6.40 Base Acquisition Price and the 7,314,015 Sale Shares and (ii) if CCBC declares any distribution between the date of the Agreement and the completion date of the Proposed Disposal (the "**Completion Date**"), the amount of distribution per CCBC Share multiplied by 7,314,015, to the extent that such distribution is not paid to the Company prior to the Completion Date; and

(b) the total consideration for the sale of the Convertible Note (the "**Note Consideration**") shall be the aggregate of (A) US$5,100,000, (B) US$56,377,728, being the product of the US$6.40 Base Acquisition Price and the total number of Conversion Shares into which the Convertible Note is then convertible and (C) the total amount of interest accrued but unpaid on the Convertible Note during the period from 3 October 2014 to the Completion Date and (D) if CCBC declares any distribution between the date of the Agreement and the Completion Date, the amount of distribution per CCBC Share multiplied by 8,809,020 to the extent that such distribution is not paid to the Company prior to the Completion Date.

In addition, if the sum of (I) the consideration per CCBC Share paid to shareholders of CCBC upon completion of the Proposal and (II) the amount per CCBC Share of all distributions declared after the Completion Date and prior to the completion of the Proposal (the sum of (I) and (II), the "**Final Proposal Price**") is higher than the US$6.40 Base Acquisition Price per CCBC Share, then the Purchaser shall pay to the Company an additional payment (the "**Additional Consideration**", and together with the Share Consideration and the Note Consideration, the "**Aggregate Consideration**") computed as follows:

The difference between the Final Proposal Price and the US$6.40 Base Acquisition Price
multiplied by
16,123,035 (being the aggregate number of Sale Shares and Conversion Shares)

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

(a) the consolidated net asset value of CCBC of approximately RMB1,498,000,000 (which is equivalent to approximately S$326,000,000 based on an exchange rate of RMB4.60:S$1.00) as at 31 December 2014;

(b) the prevailing market price of CCBC Shares of US$6.19 (which is equivalent to approximately S$8.23) as at 7 May 2015, being the last trading day of CCBC Shares immediately before the date of this Announcement; and

(c) the book value of the Convertible Note of $54,549,000 as at 31 December 2014.

6. RATIONALE FOR THE PROPOSED DISPOSAL

The rationale for, and benefits of, the Proposed Disposal are, among other things, as follows:

(a) The Proposed Disposal allows the Company to realise value in its investment in CCBC at a time when the continued listing status and future business direction of CCBC is uncertain, given that CCBC may be delisted in the near future and there is no assurance that CCBC will continue to expand in the PRC.

(b) As the Company's investment in CCBC has been accounted for in the Group's books as a financial asset from 27 September 2013, the Proposed Disposal represents an opportunity for the Group to realise its investment in CCBC at a net gain of approximately S$46,184,000.

(c) Proceeds from the Proposed Disposal may be used for the Group's future business expansion, including expanding operations in the Group's existing geographical footprint, which includes the PRC.

(d) Proceeds from the Proposed Disposal may also be used to deleverage the financial position of the Company and/or for distribution to shareholders of the Company (the "**Shareholders**").

7. SALIENT TERMS OF THE PROPOSED DISPOSAL

Under the terms of the Agreement, the obligations of the Company and the Purchaser to complete the Proposed Disposal are conditional on:

(a) the representations and warranties given by each party in the Agreement remaining true and correct on the Completion Date;

(b) the Company having obtained the approval of the Shareholders for the Proposed Disposal;

(c) the Purchaser having obtained the approval of its shareholders for the Proposed Disposal; and

(d) there being no (i) governmental authority or any other person that has instituted or threatened proceedings against either party to restrain or prohibit the Proposed Disposal or (ii) proposed or enacted statute, regulation or policy which would prohibit, materially restrict or delay the implementation of the transactions under the Agreement.

The Company and the Purchaser also agreed to share equally any liability or conveyance taxes which may be payable in connection with the Proposed Disposal.

9. GAIN ON THE PROPOSED DISPOSAL AND INTENDED USE OF PROCEEDS

Based on:

(a) the Share Consideration, the Note Consideration[1] and the Additional Consideration;

(b) the net book value of the Convertible Note of approximately S$54,549,000 in the Group's unaudited consolidated financial statements as at 31 December 2014; and

(c) the net book value of the Sales Shares of approximately S$43,737,000 in the Group's unaudited consolidated financial statements as at 31 December 2014,

net gain on the Proposed Disposal to the Company is expected to be approximately S$46,184,000, net of estimated related expenses of approximately S$120,000.

The Group will consider deploying the net proceeds of approximately S$146,510,000[2] from the Proposed Disposal for, *inter alia*, general working capital requirements, pre-payment of bank borrowings, redemption of the fixed rate notes issued under the Company's Multicurrency Debt Issuance Programme, as well as possible distribution to Shareholders by way of special dividend.

Pending the deploying of the unutilised proceeds from the Proposed Disposal, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

10. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

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

(a) for the purposes of illustrating the financial effects of the Proposed Disposal on the net tangible assets ("**NTA**") per Share of the Group, it is assumed that (i) the Company completed acquisition of the Convertible Note on 30 June 2014[3], and (ii) the Proposed Disposal had been completed on 30 June 2014;

(b) for the purposes of illustrating the financial effects of the Proposed Disposal on the earnings per Share ("**EPS**") of the Group, it is assumed that (i) the Company completed acquisition of the Convertible Note on 1 July 2013[3], and (ii) the Proposed Disposal had been completed on 1 July 2013;

[1] The Note Consideration includes the total amount of interest accrued but unpaid on the Convertible Note during the period from 3 October 2014 to 31 December 2014.

[2] The Note Consideration included in this computation comprises the total amount of interest accrued but unpaid on the Convertible Note during the period from 3 October 2014 to estimated completion date of 16 November 2015. The Additional Consideration is not included in this computation as it is dependent on the Final Proposal Price which is unknown as at the time of this Announcement.

[3] The Company had in actual fact completed the acquisition of the Convertible Note on 10 November 2014. Rule 1010(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") requires the Company to disclose the effect of the Proposed Disposal on the NTA per Share of the Group for the most recently completed financial year, assuming that the Proposed Disposal had been effected at the end of that financial year. Rule 1010(9) of the Listing Manual requires the Company to disclose the effect of the Proposed Disposal on the EPS of the Group for the most recently completed financial year assuming the Proposed Disposal had been effected at the beginning of that financial year. For the purpose of complying with Rules 1010(8) and 1010(9) of the Listing Manual, the Company has assumed an earlier acquisition date for the Convertible Note.

(c) 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;

(d) the financial effects of the Proposed Disposal are purely for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Disposal 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 the Completion Date; and

(e) assuming an exchange rate of US$1.00:S$1.33.

9.1 Effect of the Proposed Disposal on the NTA per Share

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

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA (S$'000)	139,351	175,563
NTA per Share (Singapore cents)	52.76	66.48

9.2 Effect of the Proposed Disposal on EPS

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

	Before the Proposed Disposal	**After the Proposed Disposal**
Profit attributable to Shareholders (S$'000)	30,521	66,507
EPS (Singapore cents)	11.90	25.93

11. RELATIVE FIGURES OF THE PROPOSED DISPOSAL UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the latest announced unaudited consolidated financial statements of the Group for the second quarter ended 31 December 2014 (being the most recent available unaudited consolidated financial statements of the Group), the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual are set out on the next page:

Listing Rule	Bases	Disposal Assets (S$'000)[i]	Group (S$'000)	Relative Figures
1006(a)	The NAV of the Disposal Assets, compared with the Group's NAV	98,286	125,376	78.39%
1006(b)	The net loss attributable to the Disposal Assets, compared with the Group's net loss[ii]	(9,510)	(6,440)	147.67%
1006(c)	The Share Consideration and the Note Consideration[iii][iv], compared with the Group's market capitalisation[v]	146,630	324,122	45.24%
1006(d)	The number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities of the Company previously in issue		Not applicable.	

Notes:

(i) Based on an assumed foreign exchange rate of US$1.00:S$1.33.

(ii) The Group's net loss is defined as loss before income tax, minority interests and exceptional items.

(iii) The Additional Consideration is not included in this computation as it is dependent on the Final Proposal Price which is unknown as at the time of this Announcement. Shareholders should note that the relative figure computed on the basis set out in Rule 1006(c) may be larger if Additional Consideration is payable.

(iv) The Note Consideration includes the total amount of interest accrued but unpaid on the Convertible Note during the period from 3 October 2014 to estimated completion date of 16 November 2015.

(v) The Group's market capitalisation is based on a total number of 259,297,354 Shares in issue, excluding 8,228,000 treasury shares, as at the date of this Announcement, and the volume weighted average price per Share of S$1.25 on 8 May 2015, being the last market day preceding this Announcement.

Based on the above, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual as the relative figures under Rule 1006 exceed 20%. Accordingly, approval of the Shareholders at an extraordinary general meeting is required.

12. SALE OF NOTE BY MAGNUM OPUS INTERNATIONAL HOLDINGS LIMITED

As disclosed in the Purchaser's announcement dated 8 May 2015 released on the HKExnews website, the Company understands that the Purchaser has also entered into a conditional purchase agreement dated 8 May 2015 with Magnum Opus International Holdings Limited ("**Magnum**"), pursuant to which Magnum has agreed to sell and the Purchaser has agreed to purchase from Magnum a 7% senior unsecured convertible note (the "**Magnum Convertible Note**") due 3 October 2017 issued by CCBC to Magnum.

Pursuant to the terms of the Facility Agreement dated 25 August 2014 (details are which are set out in the Company's announcements dated 25 August 2014, 10 September 2014 and 17 October 2014), Magnum shall ensure that the proceeds from its sale of the Magnum Convertible Note are first applied towards prepayment of the loan under the Facility Agreement in full.

13. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The spouse and child of Mr Joseph Wong Wai Leung, an Independent Director of the Company, jointly have an interest in 32,049 ordinary shares of HK$0.20 each in the share capital of the Purchaser and 23,626 warrants issued by the Purchaser.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Proposed Disposal. No person is proposed to be appointed as a Director in connection with the Proposed Disposal.

13. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION

The circular to Shareholders containing, *inter alia*, further information on the Proposed Disposal and enclosing the notice of the extraordinary general meeting of the Company will be despatched to Shareholders in due course.

A copy of each of the following 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 by the Company with the United States Securities and Exchange Commission in connection with the Proposed Disposal.

By Order of the Board
CORDLIFE GROUP LIMITED

Mr. Yee Pinh Jeremy
Director
8 May 2015