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

PROPOSED CO-OPERATION WITH STEMLIFE BERHAD IN RELATION TO THE PROVISION OF HUMAN POSTNATAL UMBILICAL CORD TISSUE STORAGE SERVICES IN MALAYSIA

Further to the announcement on 25 February 2013 made by Cordlife Group Limited (the "**Company**") in relation to its strategic alliance with CordLabs Asia Pte. Ltd. ("**CAP**") pursuant to which CAP will provide tissue verification and biomarker testing services ("**CAP Services**") using CRC Technology (as defined in the said announcement) to the Company and its customers in, *inter alia*, Malaysia on an exclusive basis, the Board of Directors is pleased to announce that the Company has entered into a licensing agreement (the "**Licensing Agreement**") with StemLife Berhad ("**StemLife**"), an associated company of the Company listed on the ACE Market of the Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), to jointly explore and develop umbilical cord tissue related new services based on cellular technology in Malaysia (the "**Proposed Co-operation**"). In this connection, StemLife will obtain a sub-licence from Cordlife to use the CRC Technology for the provision of the services in relation to the collection, preparation and storage services for umbilical cord tissue (collectively, "**StemLife Services**") to StemLife's clients in Malaysia (the "**Sub-Licence**") via the Licensing Agreement.

Pursuant to the Proposed Co-operation, StemLife and Cordlife agree to co-operate for the purpose of and with a view to:

(a) enhance the quality of the StemLife Services to StemLife's clients in Malaysia by making available the CRC Technology for use by StemLife under the terms and conditions of the Licensing Agreement; and

(b) enhance the long term prospects of StemLife and the Cordlife group of companies by subsequently providing services (through CAP) in relation to culturing to clients of StemLife in Malaysia pursuant to storage of cord tissue by StemLife.

As the Proposed Co-operation constitutes a recurrent related party transaction of a revenue nature under the ACE Market Listing Requirements of Bursa Malaysia, the Proposed Co-operation will be conditional upon the approval of the StemLife shareholders. As Cordlife is deemed interested in the Proposed Co-operation, Cordlife shall abstain, and shall procure persons connected with it to abstain, from voting in respect of their shareholdings in StemLife on the resolution pertaining to the Proposed Co-operation to be tabled at the extraordinary general meeting to be convened.

Salient Terms of the Licensing Agreement

(a) Cordlife agrees to procure that CAP provides and transfers to StemLife the requisite information and training, amongst others:

  (i) on the CRC Technology as well as the tissue verification and biomarker testing, including without limitation, the methodology, requirement, standards and the processes thereof but excluding culturing; and

  (ii) in relation to the processes for the provision of cord tissue storage such as the post natal collection and preparation of cord tissue.

(b) Cordlife grants the Sub-Licence to StemLife to use and exploit the CRC Technology for the provision of the StemLife Services in Malaysia. StemLife and Cordlife agree that the Sub-

Licence granted pursuant to the Licensing Agreement shall be sole, limited, non-transferable and non-sub-licensable.

(c) StemLife shall be entitled and have the discretion to package and bundle the StemLife Services together with the CAP Services and offer the same to prospects and StemLife's clients in Malaysia in such manner as determined to be appropriate by StemLife. StemLife shall also be entitled and have the discretion to offer and make available the bundled and packaged StemLife Services and CAP Services either:

(i) solely under the "StemLife" name and brand; and/or

(ii) in conjunction with the variation thereof "CordLabs".

When offering and making available the StemLife Services in Malaysia, StemLife shall include the reference to "CAP" in all marketing and promotional materials.

(d) In consideration of the Sub-Licence granted to StemLife under the Licensing Agreement, StemLife agrees to pay to Cordlife an upfront sum of SGD1,000,000 and without deduction of any Malaysian withholding tax) on the effective date of the Licensing Agreement and the aggregate sum of:

(i) testing fees of SGD120 or SGD240 for each tissue verification and biomarker testing services using CRC Technology;

(ii) royalties fee based on 15% of the revenue received from the cord tissue storage fees using CRC Technology and CAP Services; and

(iii) additional royalties fee of SGD1,400 or SGD5,900 for each cord tissue culturing service performed by CAP,

within 30 days after the end of each quarter.

(e) The Licensing Agreement shall be effective from the date of the License Agreement or the date the shareholders' approval is obtained by StemLife for the Proposed Co-operation, whichever is later (the "**Effective Date**") and shall continue therefrom for a period of 3 years (or such other extended period as may be agreed by the parties) unless:

(i) the marketing and launch of the StemLife Services and CAP Services using CRC Technology in Malaysia does not take place by 26 November 2014; or

(ii) the Licensing Agreement is earlier terminated pursuant to some termination events, such as, the defaulting party has committed a material breach of the Licensing Agreement or ceased to carry on its business as carried on as at the date of the Licensing Agreement; or

(iii) the strategic alliance arrangement between Cordlife and CAP is terminated, expired or invalidated.

In connection with the Proposed Co-operation, CAP has agreed to extend its strategic alliance with the Company in Malaysia to a period of three (3) years commencing from the Effective Date.

Further details on the Proposed Co-operation are set out in the announcement by StemLife dated 30 April 2014.

The Proposed Co-operation is not expected to have a material impact on the Company's financial performance for the financial year ending 30 June 2014.

By Order of the Board
CORDLIFE GROUP LIMITED

Mr. Yee Pinh Jeremy
Director
30 April 2014