

## CordLife Ltd Acquires Stake in Shandong Cord Blood Bank

- CordLife secures 4.08% of Shandong Cord Blood Bank by way of an indirect stake in Shandong Qilu Stem Cell Engineering Co., Ltd (“SDQL”) priced at US\$8.16 million.
- SDQL is the sole licensed cord blood banking operator in Shandong province with exclusive access to approximately 1.2 million new births annually.
- The definitive agreement guarantees dividend distribution of no less than US\$400,800 to CordLife by January 2013.
- Investment is to be funded by monies raised from the recently announced share issue.

**Australia, 2 April 2012** – Australian listed stem cell banking company, CordLife Ltd (“CordLife” or “the Company”) today announced that it has entered into a definitive Share Purchase and Sale Agreement to acquire 4.08% of Shandong Cord Blood Bank by way of an indirect stake in Shandong Qilu Stem Cell Engineer Co., Ltd (“SDQL”) on 31 March 2012. The total purchase price for this interest is US\$8.16 million with an initial dividend guarantee of not less than US\$400,800 by January 2013.

SDQL is the only cord blood banking operator authorised to conduct business in Shandong province by China’s Ministry of Health.

The acquisition will be funded by subscription by City Challenge Global Ltd (“CC”) for 21,800,000 CordLife shares at an exercise price of A\$0.40 per share. Details of this subscription have been announced to the market. The purchase price of US\$8.16 million is payable by 2 installments US\$7,352,000 on completion and the balance of US\$808,000 is payable on or before 30 November 2012. Completion of the transaction is expected within 21 days from 31 March 2012.

SDQL the sole licensed cord blood banking operator in Shandong province has exclusive access to 1.2 million new births annually in Shandong province. Shandong Province is the third most populous province in China. With the current take up rate for cord blood banking estimated at 0.6% of the total new births, the market is still in its infancy. High birth rate along with rapidly rising disposable income in the country, China’s one-child policy and growing public awareness on the benefits of cord blood stem cells are key drivers in making the province a prime market for stem cell banking.

The acquisition achieves the following benefits for CordLife: investment income from initial guaranteed cash dividend of not less than US\$400,800 by January 2013; potential increase in investment value, in the medium term if SDQL is able to capitalise on the vast market potential.

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## About CordLife

CordLife Limited is a leading healthcare group of companies that provides a full suite of cord blood and tissue banking services to expectant parents for the collection, processing and cryopreservation of cord blood stem cells and umbilical cord tissue. The Group is dedicated to offering the highest possibility of successful adult stem cell therapy to give hope and save lives. Well established as the largest network of private stem cell banks across Asia Pacific, Cordlife owns and operates state-of-the-art facilities through its subsidiaries in India, Indonesia and the Philippines as well as an affiliation network that extends to Singapore, Hong Kong, and China. CordLife was awarded the prestigious “Technology Pioneer” status by the Geneva-based World Economic Forum; one of only 3 companies in Asia from a pool of 225 world nominees. CordLife is listed on the Australian Securities Exchange, under the symbol ‘CBB’. For more information, please visit [www.cordlifelimited.com](http://www.cordlifelimited.com).

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