

Cordlife Limited

ACN 108 051 529

NOTICE OF MEETING

To be held on 21 June 2013 at the offices of K&L Gates,
Level 32, 44 St Georges Terrace, Perth at 4.15pm (Perth time)

THIS IS AN IMPORTANT DOCUMENT

**If you are in doubt as to what to do with this document please
immediately see your legal adviser, financial adviser or stockbroker**

Cordlife Limited
ACN 108 051 529

Notice of Meeting

Notice is given that an extraordinary general meeting of shareholders of Cordlife Limited ACN 108 051 529 (**Company** or **CBB**) will be held on 21 June 2013 at the offices of K&L Gates, Level 32, 44 St Georges Terrace, Perth at 4.15pm (Perth time) for the purpose of considering, and if thought fit, passing the following resolutions:

Resolution 1: Sale of Businesses to Cordlife Singapore

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 11.2 and for all other purposes, the shareholders approve the sale by the Company of its main undertaking (being its subsidiaries which operate its businesses in Singapore, Hong Kong, India and the Philippines and certain assets of its Indonesian business (**Sale Assets**)) to Cordlife Group Limited, formerly Cordlife Singapore Pte Ltd (**Cordlife Singapore**), on the terms and conditions of the Sale & Purchase Agreement described in the Explanatory Memorandum accompanying this Notice of Meeting."*

Resolution 2: Change of Company Name to Life Corporation Limited

To consider and, if thought fit, to pass the following resolution as a special resolution:

*"That subject to the approval of Resolution 1 above, in accordance with section 157(1)(a) of the Corporations Act, shareholders approve the changing of the Company's name from '**Cordlife Limited**' to '**Life Corporation Limited**', to take effect from the later of the date Completion takes place under the Sale & Purchase Agreement, and the date the Australian Securities and Investments Commission is notified of the change of name and alters the details of the Company's registration on its records to reflect the change of name."*

ADDITIONAL INFORMATION

Please note that additional information concerning the above proposed Resolutions is contained in the Explanatory Memorandum that accompanies and forms part of this notice.

ELIGIBILITY TO VOTE

In accordance with the *Corporations Act 2001* (Cth), a person's entitlement to vote at this meeting will be the entitlement of that person according to the Register of Members on 19 June 2013 at 4.15pm.

Subject to the voting exclusion below, all shareholders of the Company are able to vote on these Resolutions.

If you wish to vote in person, you must attend the General Meeting. If you cannot attend the meeting, you may vote by proxy, attorney or if you are a body corporate, by appointing a corporate representative.

VOTING EXCLUSION – RESOLUTION 1

Pursuant to ASX Listing Rules 11.2 and 14.11.1, CBB will disregard any votes cast on Resolution 1 by:

- any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 1 is passed; and
- an associate of that person (or those persons).

However, CBB need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

IMPORTANT NOTE – In determining the application of the voting exclusions detailed above, for example, a CBB shareholder would be regarded as obtaining a benefit in respect of the transfer of the Sale Assets under the Sale & Purchase Agreement where that CBB shareholder also holds shares in Cordlife Singapore. Therefore if you hold shares in both CBB and Cordlife Singapore, you are not permitted to exercise any vote as a CBB shareholder at this meeting with respect to Resolution 1. Also please note that in exercising any votes at this meeting, you will be effectively making a representation that you are not excluded from voting (as provided by ASX Listing Rules 14.11.1 as detailed above).

ADMISSION TO MEETING

Shareholders who will be attending the general meeting, and who will not be appointing a proxy, are asked to bring the proxy form to the general meeting to help speed admissions.

Shareholders who do not plan to attend the general meeting are encouraged to complete and return the attached proxy form for each of their holdings of CBB shares. If lost or damaged, a replacement proxy form may be obtained from CBB's external share registrar, Link Market Services Limited, on 1300 554 474 or +61 (03) 9615 9947.

SCRUTINEER

CBB's external auditor, Ernst & Young, will act as scrutineer for any poll that may be required at the meeting.

PROXIES

If you are a shareholder entitled to attend and vote you are entitled to appoint a proxy. That proxy need not be a shareholder of the Company. A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the number or proportion of votes that each proxy may exercise, failing which each may exercise half of the votes.

If you want to appoint one proxy, please fax the form provided. If you want to appoint 2 proxies, please follow the instructions in **Appointment of a Second Proxy** on the reverse side of the proxy form.

CBB's Constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies neither proxy may vote on a show of hands.

To be effective the proxy form must be received by Link Market Services Limited, at the address on the enclosed reply paid envelope or by facsimile at the number below, not later than 4.15pm Perth time on 19 June 2013.

By order of the Board:

A handwritten signature in black ink, consisting of a large, stylized loop followed by a diagonal stroke.

Mr Andrew Lord
Company Secretary
20 May 2013

**Cordlife Limited
ACN 108 051 529**

**EXPLANATORY MEMORANDUM
PROPOSED SALE OF BUSINESSES**

**This document has been prepared to provide further information
regarding the proposed resolutions in the attached Notice of
Extraordinary General Meeting for Cordlife Limited**

THIS IS AN IMPORTANT DOCUMENT

**If you are in doubt as to what to do with this document please
immediately see your legal adviser, financial adviser or stockbroker.**

Cordlife Limited
ACN 108 051 529

Explanatory Memorandum

1. Resolution 1 - Introduction – Sale of main undertaking

The Company, through its wholly owned subsidiary Cordlife Services (S) Pte Ltd (**Cordlife Services**), proposes to sell its remaining businesses (being the main undertaking of CBB, comprising its subsidiaries which operate in Singapore, India, Hong Kong and the Philippines together with certain assets of its Indonesian business (collectively referred to as the **Sale Assets**)) to Cordlife Group Limited formerly Cordlife Pte Ltd (**Cordlife Singapore**) for A\$5,500,000 cash (**Purchase Price**) and otherwise pursuant to the terms of the sale & purchase agreement dated 17 May 2013 (**Sale & Purchase Agreement**).

The sale of the Sale Assets is subject to CBB shareholder approval (as outlined in Resolution 1). This Explanatory Memorandum has been prepared to provide additional information to enable CBB shareholders to have sufficient information to assess the merits of the proposed sale of CBB's main undertaking (being the Sale Assets) to Cordlife Singapore. You should carefully read this Explanatory Memorandum and seek your own independent legal, accounting and financial advice in relation to Resolution 1.

Shareholders will recall that Cordlife Singapore was initially established as a separate company in June 2011 on the demerger of Cordlife Singapore from CBB. As a result of and at the time of the demerger, CBB shareholders held shares in the same proportions in Cordlife Singapore. Subsequently in March 2012 Cordlife Singapore undertook its own IPO capital raising and successful listing on the Singapore Exchange Securities Trading Limited.

2. Overview

2.1 Resolution 1

Resolution 1 proposes that for the purposes of ASX Listing Rule 11.2 and for all other purposes, the shareholders approve the sale of CBB's main undertaking (being its cord blood businesses operated in Singapore, India, Hong Kong and the Philippines together with certain assets of its Indonesian business (**Sale Assets**)) to Cordlife Group Limited formerly Cordlife Singapore Pte Ltd (**Cordlife Singapore**) on the terms and conditions of the Sale & Purchase Agreement.

The Sale Assets being transferred comprise:

- (a) **Singapore Sale Shares**, being 2,897,540 ordinary shares in the capital of **Singapore Subsidiary** (CS Cell Technologies Pte. Ltd, a company incorporated in Singapore),
- (b) **Hong Kong Sale Shares**, being 1,000,000 ordinary shares in the capital of **Hong Kong Subsidiary** (Cordlife Stem Cell Technology Limited, a company incorporated in Hong Kong), and
- (c) **Indonesian Assets** (being the Indonesian Client Contracts, the Indonesian Cord Blood Tanks and certain other equipment of **Indonesian Subsidiary** (P.T. Cordlife Indonesia a limited liability company incorporated in Indonesia) described or specifically listed in the Sale & Purchase Agreement).

The **India Subsidiary** which operates the cordblood banking business in India (Cordlife Sciences (India) Pvt. Ltd. a company incorporated in India) is owned (as to 85% of its issued share capital) by Singapore Subsidiary and the **Philippine Subsidiary** which operates the cordblood banking business in the Philippines (Cordlife Medical Phils., Inc. a company incorporated in the Philippines) will, after the Restructure (as defined below), also be owned by Singapore Subsidiary (which is part of the Sale Assets). Ownership of the India Subsidiary and the Philippines Subsidiary will also effectively pass with the transfer of the Sale Assets to Cordlife Singapore.

After the transfer of the Sale Assets (if approved by CBB shareholders and all of the pre-conditions in respect of the sale are satisfied), CBB will no longer have any operating businesses and remain with the resulting cash reserves, exposure to any warranty claims under the Sale & Purchase Agreement and also the entitlement to the Deferred Consideration (as defined below).

2.2 Regulatory background

Listing Rule 11.2 requires CBB to obtain prior Shareholder approval for CBB disposing of its main undertaking. In accordance with a determination by the ASX pursuant to Listing Rule 11.2, voting exclusions described in section 10 of this Explanatory Memorandum will apply.

The ASX has confirmed that CBB may receive and hold the cash proceeds from the sale of the Sale Assets (**Proceeds**) for a period of up to 6 months and remain Listed with its shares quoted. Depending upon what proportion of those proceeds are involved and the proposed use of that portion, the ASX may require the Company to obtain a further shareholder approval for any subsequent material transaction by the Company and/or require the Company at that time to meet the requirements of Chapters 1 and 2 of the Listing Rules (as if CBB was applying for admission to the official list of the ASX).

3. Sale & Purchase Agreement

The Sale & Purchase Agreement provides that, subject to certain conditions precedent, CBB agrees to transfer to Cordlife Singapore and Cordlife Singapore agrees to purchase the Sale Assets for an aggregate consideration of A\$5,500,000, payable as to 50% on the day title to the assets passes to the Purchaser (**Completion**) and the remaining 50% (**Deferred Consideration**) in accordance with the Sale & Purchase Agreement to be paid 3 months after Completion.

The conditions precedent include the approval of this transaction by CBB shareholders, the consent/waiver of the 15% minority shareholder in the India Subsidiary and

- (a) all necessary approvals of the transactions contemplated by the Sale & Purchase Agreement in accordance with applicable laws,
- (b) the completion of the Restructuring of Philippine Subsidiary (pursuant to which Singapore Subsidiary will own all the issued shares of Philippine Subsidiary) (**Restructure**),
- (c) redemption of certain convertible bonds (for approximately A\$1,500,000 issued by Singapore Subsidiary) (**Convertible Bond**), and
- (d) repayment and or release of all Intra-Group Indebtedness and release of all Intra-Group Guarantees given to a third party by CBB for the benefit of one of CBB's subsidiaries or given to a third party by one of CBB's subsidiaries for the benefit of CBB.

Unless mutually agreed otherwise, if all of the Conditions Precedent are not satisfied (or waived by the party holding the benefit of the Condition Precedent) by 31 August 2013, then the purchase of the Sale Assets will not proceed and the Sale & Purchase Agreement shall effectively be at an end (other than some continuing provisions relating to confidentiality and announcements).

There is a mutual obligation for CBB and Cordlife Singapore before, and for a period of 3 months after, Completion to seek assignment or third party consents to the assignment or novation of all Indonesian Contracts to Cordlife Singapore and until such assignment or novation CBB is to procure Indonesian Subsidiary effectively hold the benefit of, and continue to operate (with an indemnity from Cordlife Singapore) the Indonesian Contracts as trustee for Cordlife Singapore. Where a required consent to an assignment or novation of an Indonesian Client Contract to Cordlife Singapore cannot be obtained within this 3 month period, that contract is deemed excluded from this sale and CBB is required to refund Cordlife Singapore a portion of the purchase price equivalent to the agreed value of that Indonesian Contract.

The warranties provided by CBB to Cordlife Singapore under the Sale & Purchase Agreement are extensive commercial warranties applicable for such a transaction, taking into account the nature and extent of CBB's current operating businesses and those of Singapore Subsidiary, Hong Kong Subsidiary, Philippine Subsidiary and India Subsidiary (collectively **Group Company**). However, most warranties are unqualified and not subject to any disclosure against the warranties by CBB.

CBB also provides Cordlife Singapore with certain commercial undertakings, mainly relating to the conduct of the Group Companies between entering the Sale & Purchase Agreement and Completion under that agreement.

Cordlife Singapore is entitled to terminate the Sale & Purchase Agreement for various reasons, including: if CBB is in material breach of a warranty or covenant; if there is a material adverse change in the business, assets operations, financial condition or prospects of any Group Company; the happening of certain national or international monetary or economic events or the enactment of any legislation that would prohibit or materially restrict or delay implementation of the transaction.

There are also indemnities provided by CBB in favour of Cordlife Singapore in respect to any losses, costs, damages, claims, demands, proceedings, liabilities and expenses whatever that either may incur arising from a breach of any of the warranties or the Deed of Indemnity (as defined below) made by CBB, the conduct of a Group Company prior to Completion, and specific indemnities (Specific Indemnities) with respect to any losses incurred by Cordlife Singapore or a Group Company concerning:

- (a) the Restructure, and
- (b) any claim by any governmental, regulatory or statutory authority in India (**Indian Authority**) with respect to any claim that Indian Authority has in connection with any equity interest in Indian Subsidiary, including any claim for a return to it of any equity, capital, investment or subsidy from an Indian Authority, and
- (c) or with respect to any the operation of the cord blood banking business in India for any non-compliance with or contravention of any applicable laws and fees until all requisite permits are obtained.

CBB provides a further indemnity to Cordlife Singapore and to the Group Companies by the entry by all parties (including the Group Companies) of the **Deed of Indemnity**. Pursuant to the Deed of Indemnity, CBB indemnifies Cordlife Singapore and each of the Group Companies against any losses, liabilities and damages suffered by any of them or any

depletion in or reduction in value of its or their respective assets or increase in its or their respective liabilities in relation to any of the Group Companies and/or any of its or their respective subsidiaries in connection with any taxation claim which has been made or may be made in respect of any transaction effected on or before Completion or by reference to any income, profits or gains earned, accrued or received on or before Completion.

However, the liability of CBB under most claims by Cordlife Singapore under the Sale & Purchase Agreement (excluding the Specific Indemnities but including those arising under the Deed of Indemnity):

- (a) are capped at a maximum claim by the Cordlife Singapore of an amount equal to the Purchase Price of \$5.5 million, and
- (b) may only be made if Cordlife Singapore makes the claim within 18 months of Completion (or 6 years for certain taxation matters)

Neither party may assign transfer or charge or otherwise deal with their interest in the Sale & Purchase Agreement or the Deed of Indemnity without the prior consent of the other (other than Cordlife Singapore to related corporations).

4. Financial considerations

4.1 Financial position of CBB: before and after the proposed Disposal of the Sale Assets

The financial position of CBB before and after the proposed Disposal is described in Annexure 1, which contains selected financial information detailing:

- (a) the historical consolidate state of financial position of CBB; and
- (b) the proforma consolidated statement of financial position of CBB

in each case as at 30 June 2012 and 31 December 2012, and the proforma consolidated statement of income and proforma consolidated statement of cash flow for the year ended 30 June 2012 and six month ended 31 December 2012, assuming:

- (i) the disposal of CBB's stake in Shandong Cord Blood Bank (which completed on 7 February 2013) had taken place as at 30 June 2012 and 31 December 2012 respectively; and
- (ii) the disposal of the Sale Assets had taken place as at 30 June 2012 and 31 December 2012 respectively.
- (iii) the redemption of the Convertible Bond issued to Cordlife Singapore had taken place as at 30 June 2012 and 31 December 2012 respectively

In summary, and based on the proforma consolidated statement of income, the Disposal will generate a disposal gain of approximately A\$1 million.

4.2 CBB tax considerations

No Australian tax will be payable by CBB as a result of the proposed sale of its main undertaking.

4.3 CBB shareholder tax considerations

Whilst the Company is not providing any taxation advice for shareholders in their individual circumstances, the sale by the Company of its main undertaking will not of itself result tax being payable by shareholders. Investors are advised to seek and rely upon their own independent taxation advice

5. Advantages of the Disposal of the Sale Assets proceeding.

The Board is of the view that the proposed disposal of the Sale Assets has significant potential advantages, including the following:

- (c) the continued operation of the current operating businesses would have required continued working capital investment by CBB as those businesses are not presently cash flow positive – CBB will be relieved of this cash outflow where the current operating businesses are sold;
- (d) in considering the possible continuing working capital investment / cash investment by CBB in its operating businesses, CBB's use of the trade mark "Cordlife" will expire in 2014 in Indonesia and Philippines and 2016 in India (as part of the original demerger terms). CBB does note that until the expiry date, Cordlife Singapore had undertaken not to conduct business in competition to the current CBB businesses;
- (e) the current operating businesses do not have scale required to support listing and headquarter cost and CBB has experienced some difficulty in retaining key personnel and also marketing the current operating businesses at the scale needed for those businesses to win market share. CBB would be relieved of this issues where the current operating businesses are sold;
- (f) the competition in the markets in which the current operating businesses are conducted has increased with new entrants;
- (g) CBB will no longer be exposed to the risks in conducting the current operating businesses (including operational, regulatory requirements for operation of the businesses; foreign exchange rates, foreign government policy). The industry is heavily regulated and subject to Government policy considerations;
- (h) with a cash sale price, the sale will give CBB flexibility to review a range of possible investments with CBB having approximately net A\$10 million cash (inclusive of the Deferred Consideration) after the sale to invest and a listed base to consider new investments;

6. Disadvantages of the Disposal of the Sale Assets proceeding

The Board is of the view that the proposed disposal of the Sale Assets has limited disadvantages, including the following:

- (a) CBB and its shareholders will no longer have any exposure to the potential upside in value of the current operating businesses – having invested in these businesses now for some time, should CBB dispose of them or continue to hold the current operating businesses (where CBB shareholders will have exposure to the potential upside in value but with the risks associated with continuing to invest in those businesses and the loss of the "Cordlife" trademark as referred to above);
- (b) CBB does not presently have a project or investment identified for the application of the Sale Proceeds;
- (c) the return on cash deposits may be less than the potential upside in value of the current operating businesses;
- (d) where CBB does identify a new business or technology to invest in with the Sale Proceeds there is no guarantee that this new business or technology will have any less risk or deliver any greater returns than CBB continuing to hold the current businesses;

- (e) CBB's shares may become more illiquid and the value of the CBB shares may drop as shareholders will no longer have the potential upside from continuing to grow the current operating businesses and there is a risk that with the cash proceeds CBB will not identify a suitable new investment opportunity or if it does identify such an opportunity, the market will not respond positively;
- (f) CBB may be subject to the application of ASX Listing Rule 11.1 where subsequent to the disposal of the Sale Assets, CBB seeks to acquire a new business/es. This may include CBB having to re-qualify under ASX Listing Rules Chapters 1 and 2 and if not requalified, CBB shares may be suspended from trading;

7. CBB Board Recommendation

Given the interests of CBB directors in Cordlife Singapore shares (which arose as a result of the original demerger), the Board has determined not to make any recommendation to the CBB shareholders.

CBB shareholders should seek their own financial and taxation advice concerning the sale of the Sale Assets pursuant to the terms of the Sale & Purchase Agreement having regard to the information contained in this Explanatory Memorandum.

8. Voting exclusions – Resolution 1

Pursuant to ASX Listing Rules 11.2 and 14.11.1 CBB will disregard any votes cast on Resolution 1 by:

- any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 1 is passed; and
- an associate of that person (or those persons).

However, CBB need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

IMPORTANT NOTE – In determining the application of the voting exclusions detailed above, for example, a CBB shareholder would be regarded as obtaining a benefit in respect of the transfer of the Sale Assets under the Sale & Purchase Agreement where that CBB shareholder also holds shares in Cordlife Singapore. Therefore if you hold shares in both CBB and Cordlife Singapore, you are not permitted to exercise any vote as a CBB shareholder at this meeting. Also please note that in exercising any votes at this meeting, you will be effectively making a representation that you are not excluded from voting (as provided by ASX Listing Rules 14.11.1 as detailed above).

9. Resolution 2 – Change of Name

Shareholder approval is sought to change the Company's name from Cordlife Limited to **Life Corporation Limited**, subject to the sale of its main undertaking being approved pursuant to Resolution 1.

As mentioned in section 5(b) above, CBB's use of the trade mark "Cordlife" will expire in 2014 in Indonesia and Philippines and 2016 in India (as part of the original demerger terms).

As the Company after Completion, will not currently have the use of the name "Cordlife" under a trade mark user agreement, the Company thought it prudent that subject to shareholders approving Resolution 1 that the Company change its name from "Cordlife Limited" to "**Life Corporation Limited**".

The change of name, if approved, will take effect from the later of:

- (a) the date Completion takes place under the Sale & Purchase Agreement, and
- (b) the date the Australian Securities and Investments Commission is notified of the change of name and alters the details of the Company's registration on its records to reflect the change of name

Recommendation – Resolution 2

The board of directors unanimously recommends that you vote in favour of Resolution 2 to change the Company's name to **Life Corporation Limited**.

10 Additional information

A CBB Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies. The Proxy Form to be used is to be read in conjunction with, and accompanies this Notice of Meeting.

The Board of Directors is not aware of any other information which is relevant to the consideration by CBB Shareholders of the proposed resolutions other than that which is detailed in this Notice of Meeting and Explanatory Memorandum.

ANNEXURE 1: FINANCIAL INFORMATION

1. Introduction

This section contains a summary of the Historical Financial Information and the Pro-Forma Financial Information in each case for the CBB Group to outline the impact of the disposal of the Sale Assets.

The financial information consists of the following:

(A) the Historical Financial Information has first been presented in a summary form based on the existing audited 30 June 2012 and the reviewed 31 December 2012 financial statements for the CBB Group assuming the Sale Assets had **not** been disposed of; and

(B) the notional Pro-Forma Financial Information has been presented as if the disposal was effective from 30 June 2012 and 31 December 2012 respectively to show the impact of the disposal of the Sale Assets in accordance with the pro-forma adjustments detailed in section 2.3 below.

Both the Historical Financial Information and the notional Pro-forma Financial Information has been prepared in accordance with the basis of preparation and detailed notes disclosed in section 2 below.

The Historical and Pro-Forma Financial Information has been prepared by management and adopted by the Directors.

2. Basis of preparation

2.1 Introduction

The Historical and Pro-Forma Financial Information has been prepared in accordance with the measurement and recognition principles prescribed in Australian Accounting Standards adopted by the Australian Accounting Standards Board, which comply with the recognition and measurement principles of the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. The accounting policies used in preparation of the Historical Financial Information are consistent with those set out in Cordlife Limited's half-year report to 31 December 2012 and annual report for the year ended 30 June 2012.

The Historical and Pro-Forma Financial Information is presented in an abbreviated format and does not contain all the disclosures required by Australian Accounting Standards in an annual financial report prepared in accordance with the Corporations Act.

The Historical and Pro-Forma Financial Information has been derived from Cordlife Limited's financial reports for the year ended 30 June 2012 and the half-year ended 31 December 2012 along with Cordlife's management information, where applicable. Cordlife Limited's annual report for the year ended 30 June 2012 has been audited by Ernst & Young in accordance with Australian Auditing Standards. Cordlife Limited's financial report for the half-year ended 31 December 2012 was not audited but has been subject to review by Ernst & Young in accordance with Australian Auditing Standards applicable to review engagements. The respective audit opinion and review statements issued to Cordlife Limited in relation to those financial reports were unqualified.

Complete versions of Cordlife Limited's financial reports for these periods are available from the ASX's website www.asx.com.au.

2.2 Historical Financial Information

The Historical Financial Information disclosed in this annexure contains the following information:

- The historical consolidated statements of comprehensive income of Cordlife Limited and its controlled entities for the half-year ended 31 December 2012 and the year ended 30 June 2012;
- The historical consolidated statements of financial position of Cordlife Limited and its controlled entities as at 31 December 2012 and 30 June 2012; and
- The historical consolidated statements of cash flow of Cordlife Limited and its controlled entities for the half-year ended 31 December 2012 and the year ended 30 June 2012.

2.3 Pro-Forma Financial Information for Cordlife Limited post disposal of the Sale Assets

(a) Pro-forma consolidated statement of comprehensive income and consolidated statement of cash flows

The pro-forma adjustments made in the preparation of the pro-forma consolidated statement of comprehensive income and consolidated statement of cash flows for Cordlife Limited post disposal of the Sale Assets for the year ended 30 June 2012 and the half-year ended 31 December 2012 is presented as if the disposal was effective from 30 June 2012 and 31 December 2012 respectively. The pro-forma adjustments include the arithmetical subtraction of the financial performance and cash flow of the Sale Assets, from the audited consolidated financial statements of Cordlife Limited and its consolidated entities for the year ended 30 June 2012 and the unaudited consolidated financial statements of Cordlife Limited and its consolidated entities for the half-year ended 31 December 2012.

Pro-forma adjustments have been made to reflect:

- The subtractions of losses from the Sales Assets for the year ended 30 June 2012 and for the half-year ended 31 December 2012 from the audited consolidated financial statements of Cordlife Limited and its consolidated entities for the year ended 30 June 2012 and the unaudited consolidated financial statements of Cordlife Limited and its consolidated entities for the half-year ended 31 December 2012;
- The gain on disposal of available for sale financial assets (stake in Shandong Cord Blood Bank) has been undertaken for the year ended 30 June 2012 and for the half-year ended 31 December 2012;
- The proceeds of disposal of available for sale financial assets (stake in Shandong Cord Blood Bank);
- The proceeds from disposal of the Sale Assets;
- The redemption of convertible bond issued from CS Cell Technologies Pte Ltd to Cordlife Singapore; and
- The repayment of draw down amount with interest accrued from the loan facility secured from City Challenge Global Limited as at 31 December 2012.

(b) Pro-forma consolidated statement of financial position

Cordlife Limited post disposal pro-forma consolidated statement of financial position as at 30 June 2012 and 31 December 2012 has been prepared on the basis that the disposal was completed on 30 June 2012 and 31 December 2012.

The pro-forma adjustments include the arithmetical subtraction of the financial position of the Sale Assets from the audited consolidated financial statements of Cordlife Limited and its consolidated

entities for the year ended 30 June 2012 and the unaudited consolidated financial statements of Cordlife Limited and its consolidated entities for the half-year ended 31 December 2012.

Pro-forma adjustments have been made to reflect:

- The subtraction of the net assets of the disposed operations in India, Philippines and Indonesia as at 30 June 2012 and 31 December 2012 from the audited consolidated financial statements of Cordlife Limited and its consolidated entities for the year ended 30 June 2012 and the unaudited consolidated financial statements of Cordlife Limited and its consolidated entities for the half-year ended 31 December 2012;
- The disposal of available for sale financial assets(stake in Shandong Cord Blood Bank) has been undertaken for the year ended 30 June 2012 and for the half-year ended 31 December 2012;
- The redemption of convertible bond issued by CS Cell Technologies Pte Ltd to Cordlife Singapore as at 31 December 2012 and 30 June 2012 ; and
- The repayment of draw down amount with interest accrued from the loan facility secured from City Challenge Global Limited as at 31 December 2012.

3. **Important note / disclaimer**

Cordlife Limited post disposal pro-forma consolidated statement of financial position as at 30 June 2012 and 31 December 2012 does not represent the actual financial position of Cordlife Limited post disposal, but represents an indication of Cordlife Limited post disposal pro-forma consolidated statement of financial position as at 30 June 2012 and 31 December 2012 applying the assumptions set out in section 2.3 above.

Cordlife Limited

Historical Consolidated Statement of Comprehensive Income
For the financial half-year ended 31 December 2012 and year ended 30 June 2012

	Half-year ended 31 December 2012 (Reviewed)	Financial year ended 30 June 2012 (Audited)
	\$'000	\$'000
Revenue	5,462	7,271
Cost of sales	(2,378)	(3,377)
Gross profit	3,084	3,894
Other income		
- Sundry income	209	23
Marketing expenses	(1,532)	(3,010)
Administration expenses	(2,843)	(6,731)
Borrowing costs	(209)	(2,400)
Loss before income tax	(1,291)	(8,224)
Income tax expense	(62)	442
Loss after income tax	(1,353)	(7,782)
Net loss for the period	(1,353)	(7,782)
Other comprehensive income/(losses)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation losses	43	(53)
Fair value adjustments	203	-
Total comprehensive losses for the period, net of tax	(1,107)	(7,835)
Loss after income tax attributable to:		
Non-controlling interests	(30)	(162)
Members of parent	(1,323)	(7,620)
	(1,353)	(7,782)
Total comprehensive losses attributable to:		
Non-controlling interests	(73)	(73)
Members of parent	(1,034)	(7,762)
	(1,107)	(7,835)
Loss per share attributable to the ordinary share equity holders of the company:		
Basic loss per share (cents per share)	(0.77)	(4.87)
Diluted loss per share (cents per share)	(0.77)	(4.87)

Cordlife Limited
**Historical Consolidated Statement of Financial Position
As at 31 December 2012 and 30 June 2012**

	As at 31 December 2012 (Reviewed) \$'000	As at 30 June 2012 (Audited) \$'000
Current assets		
Cash and cash equivalents	1,104	1,441
Trade and other receivables	2,241	2,180
Prepayments	436	236
Assets classified as held for sale	8,340	-
Inventories	197	136
Total current assets	12,318	3,993
Non-current assets		
Plant and equipment	483	548
Trade and other receivables	4,107	2,562
Available for sale financial asset	-	7,992
Deferred tax assets	5	6
Total non-current assets	4,595	11,108
Total assets	16,913	15,101
Current liabilities		
Trade and other payables	4,413	2,927
Provisions	76	287
Deferred revenue	331	322
Loans and borrowings	1,582	-
Income tax payables	5	10
Total current liabilities	6,407	3,546
Non-current liabilities		
Deferred revenue	1,182	1,145
Convertible bonds	1,161	1,140
Total non-current liabilities	2,343	2,285
Total liabilities	8,750	5,831
Net assets	8,163	9,270
Equity		
Contributed equity	71,177	71,177
Foreign currency translation reserve	(117)	(203)
Other reserve	(1,878)	(1,878)
Employee equity benefits reserve	3,206	3,206
Convertible bond reserve	3,326	3,326
Fair value adjustment reserve	203	-
Accumulated losses	(67,371)	(66,048)
Attributable to equity holders of the parent	8,546	9,580
Non-controlling interests	(383)	(310)
Total equity	8,163	9,270

Cordlife Limited
Historical Consolidated Statements of Cash Flows
For the financial half year ended 31 December 2012 and year ended 30 June 2012

	Half-year ended 31 December 2012 (Reviewed) \$'000	Financial year ended 30 June 2012 (Audited) \$'000
Cash flows from operating activities		
Receipts from customers	4,177	6,911
Payments to suppliers and employees	(5,667)	(11,839)
Interest received	12	249
Interest paid	(85)	(27)
Tax paid	(16)	-
Net cash flows used in operating activities	(1,579)	(4,706)
Cash flows from investing activities		
Purchase of plant and equipment	(123)	(200)
Proceeds from disposal of equity investment	75	-
Investment in other financial assets	-	(7,197)
Redemption of term deposit	-	7,412
Payment for refundable deposit	-	-
Net cash flows (used in)/from investing activities	(48)	15
Cash flows from financing activities		
Proceeds from issue of convertible bond	-	1,149
Proceeds from issue of shares	-	474
Proceeds from borrowings	1,581	-
Repayments of borrowings	(332)	(744)
Net cash flows from/(used in) financing activities	1,249	879
Net decrease in cash and cash equivalents held	(378)	(3,812)
Cash and cash equivalents at the beginning of the financial period	1,441	5,322
Effects of exchange rate changes on the balance of cash held in foreign currencies	41	(69)
Cash and cash equivalents at the end of the financial period	1,104	1,441

Cordlife Limited –Post disposal of Sale Assets

Pro-forma Consolidated Statement of Comprehensive Income For the financial half-year ended 31 December 2012 and year ended 30 June 2012

[* To be read in conjunction with the notes to these accounts including the adjustments, add backs and subtractions]

	Half-year ended 31 December 2012 \$'000	Financial year ended 30 June 2012 \$'000
<i>Continuing operations</i>		
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Other income		
- Gain on disposal of sale assets	1,027	1,969
- Gain on disposal of available for sale financial assets	203	522
- Sundry income	75	210
Marketing expenses	(34)	(89)
Administration expenses	(1,265)	(3,117)
Borrowing costs	(92)	(2,335)
Loss from continuing operations before income tax	(86)	(2,840)
Income tax expense	-	484
Loss from continuing operations after income tax	(86)	(2,356)
<i>Discontinued operations</i>		
Revenue	5,458	7,051
Cost of sales	(2,368)	(3,377)
Gross profit	3,090	3,674
Other income		
- Sundry income	27	33
Marketing expenses	(1,498)	(2,921)
Administration expenses	(1,476)	(3,615)
Borrowing costs	(117)	(65)
Profit/(loss) from discontinued operations before income tax	26	(2,894)
Income tax expense	(62)	(42)
Loss from discontinued operations after income tax	(36)	(2,936)
Loss for the period/year	(122)	(5,292)
Other comprehensive losses		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation losses	89	(30)
Total comprehensive losses for the period, net of tax	(33)	(5,322)

i Cordlife Limited – Post disposal of Sale Assets

Pro-forma Consolidated Statement of Comprehensive Income (con't)
For the financial half-year ended 31 December 2012 and year ended 30 June 2012

[* To be read in conjunction with the notes to these accounts including the adjustments, add backs and subtractions]

	Half-year ended 31 December 2012 \$'000	Financial year ended 30 June 2012 \$'000
Loss after income tax attributable to:		
<i>Continuing operations</i>		
Non-controlling interests	-	-
Members of parent	(86)	(2,356)
	(86)	(2,356)
Loss after income tax attributable to:		
<i>Discontinued operations</i>		
Non-controlling interests	(30)	(162)
Members of parent	(6)	(2,774)
	(36)	(2,936)
Total comprehensive losses attributable to:		
Non-controlling interests	-	-
Members of parent	(33)	(5,322)
	(33)	(5,322)
Loss per share from loss from continuing operations attributable to the ordinary share equity holders of the company:		
Basic and diluted loss per share (cents per share)	(0.05)	(1.51)
Loss per share from loss attributable to the ordinary share equity holders of the company:		
Basis and diluted loss per share (cents per share)	(0.05)	(3.28)

Cordlife Limited – Post disposal of Sale Assets

Pro-forma Consolidated Statement of Financial Position As at 31 December 2012 and 30 June 2012

[* To be read in conjunction with the notes to these accounts including the adjustments, add backs and subtractions]

	As at 31 December 2012 \$'000	As at 30 June 2012 \$'000
Current assets		
Cash and cash equivalents	10,770	12,837
Trade and other receivables	696	472
Prepayments	89	150
Total current assets	11,555	13,459
Non-current assets		
Plant and equipment	45	60
Deferred tax assets	5	6
Total non-current assets	50	66
Total assets	11,605	13,525
Current liabilities		
Trade and other payables	1,703	1,033
Provisions	25	267
Income tax payables	4	-
Total current liabilities	1,732	1,300
Non-current liabilities		
Convertible bonds	-	-
Total non-current liabilities	-	-
Total liabilities	1,732	1,300
Net assets	9,873	12,225
Equity		
Contributed equity	71,177	71,177
Foreign currency translation reserve	181	(50)
Other reserve	(1,878)	(1,878)
Employee equity benefits reserve	3,206	3,206
Convertible bond reserve	3,326	3,326
Accumulated losses	(66,139)	(63,556)
Attributable to equity holders of the parent	9,873	12,225
Non-controlling interests	-	-
Total equity	9,973	12,225

Cordlife Limited – Post disposal of Sale Assets

Pro-forma Consolidated Statements of Cash Flows

For the financial half-year ended 31 December 2012 and year ended 30 June 2012

[* To be read in conjunction with the notes to these accounts including the adjustments, add backs and subtractions]

	Half-year ended 31 December 2012 \$'000	Financial year ended 30 June 2012 \$'000
Cash flows from operating activities		
Receipts from customers	1	2
Payments to suppliers and employees	(1,826)	(4,651)
Interest received	-	228
Interest paid	(2)	(2)
Net cash flows used in operating activities	(1,827)	(4,423)
Cash flows from investing activities		
Purchase of plant and equipment	-	(28)
Proceeds from disposal of available for sale financial assets	7,636	7,719
Proceeds from disposal of sale assets	5,500	5,500
Investment in subsidiaries	-	(312)
Investment in other financial assets	-	(7,197)
Redemption of term deposit	-	7,412
Net cash flows from investing activities	13,136	13,094
Cash flows from financing activities		
Proceeds from issue of shares	-	474
Redemption of convertible bond	(1,347)	(1,226)
Proceeds from borrowings	1,573	-
Repayments of borrowings	(1,582)	-
Net cash flows used in financing activities	(1,356)	(752)
Net increase in cash and cash equivalents held	9,953	7,919
Cash and cash equivalents at the beginning of the financial period	788	4,979
Effects of exchange rate changes on the balance of cash held in foreign currencies	29	(61)
Cash and cash equivalents at the end of the financial period	10,770	12,837



By mail:
 Cordlife Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474 Overseas: +61 1300 554 474

SECURITYHOLDER PROXY FORM

I/We being a member(s) of Cordlife Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the General Meeting of the Company to be held on Friday, 21 June 2013 at the offices of K&L Gates, Level 32, 44 St Georges Terrace, Perth at 4:15pm (Perth time) and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Resolution 1

Sale of Businesses to Cordlife Singapore

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2

Change of Company Name to Life Corporation Limited

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

IMPORTANT - VOTING EXCLUSIONS

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolution 1 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Resolution and that votes cast by him/her for that Resolution, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on this Resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

STEP 4

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **4:15pm (Perth time) on Wednesday, 19 June 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE  www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Cordlife Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the General Meeting, please bring this form with you.
This will assist in registering your attendance.