



Australian Government

Takeovers Panel

MEDIA RELEASE

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Cordlife Limited - Panel Receives Application

The Panel has received an application from Victorworth Proprietary Limited, an 11.15% shareholder in Cordlife Limited, in relation to the affairs of Cordlife. The application concerns the 1 for 3 renounceable rights issue announced by Cordlife on 4 June 2010 to raise approximately \$11.62 million at 32 cents per share.

The rights issue is fully underwritten by China Stem Cells (East) Company Limited (CSC East), a company associated with Mr Yuen Kam (Chairman of the board of directors of Cordlife) and Mr Samuel Kong (a non-executive director of Cordlife). The underwriting is conditional on Cordlife shareholder approval for related party and all other purposes. A general meeting of Cordlife shareholders to approve the underwriting is scheduled for 9 July 2010.

Victorworth submits (among other things):

- there is potential for control to pass under the rights issue and the Cordlife directors have not taken all reasonable steps to minimise the potential control impact of the rights issue and the underwriting and
- there are a number of defects in the disclosure materials (in particular the independent expert report).

Victorworth seeks interim orders including that, pending final determination by the Panel of the application, Cordlife be restrained from holding the general meeting of Cordlife shareholders, closing the offer period for the rights issue and issuing any Cordlife shares to CSC East.

Victorworth seeks final orders, including to the effect that Cordlife procure a new expert to issue a new independent expert report, establish an appropriate shortfall facility and provide an opportunity for third parties to sub-underwrite the offer.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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