

Cordlife Group eyes listing on mainboard

It intends to use proceeds to further develop its business in S'pore, abroad

By LYNN KAN

AFTER a dry spell of many months, the Singapore Exchange will get a fresh infusion of life with the planned listing of Cordlife Group Ltd on its mainboard.

The homegrown cord blood bank, which lodged its preliminary prospectus yesterday with the Monetary Authority of Singapore, is seeking funding closer to home after spending more than seven years on the Australian Stock Exchange under the ticker Cordlife Ltd (CBB).

Stem cells found in cord blood in the placenta and umbilical cord are looked upon as an elixir to cancers, leukaemia and cerebral palsy.

Cordlife Group, one of the pioneer Asian private cord blood banks, recorded profits of \$8.48 million and revenue of \$25.67 million for the financial year ended June 30, 2011.

In FY2010, profits were slightly lower at \$8.27 million on a higher turnover of \$28.16 million.

Cordlife Group should not be confused with its former identity as Australia-listed CBB. The two entities were demerged last June.

Cordlife Group carries

with it three Singapore, Hong Kong and Shanghai subsidiaries as well as a 10 per cent share of a Chinese associate company, Guangzhou Tianhe Nuoya Biology Engineering.

CBB, on the other hand, bears the cord blood bank facilities and businesses in India, Indonesia and the Philippines.

Yet, the two companies' fates are intertwined. As part of the demerger agreement, CBB's 550 existing shareholders will have a cut of Cordlife Group's Singapore public float alongside CBB shares.

Cordlife Group also disclosed in the prospectus its non-compete agreement with CBB entities in India, Indonesia and the Philip-



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Markets for acquisitions: Cordlife Group also disclosed in the prospectus its non-compete agreement with CBB entities in India, Indonesia and the Philippines

ppines – places which Cordlife Group have earmarked as “targeted markets for acquisitions”.

But the non-compete agreement means Cordlife Group cannot conduct nor acquire blood banking businesses in those areas.

“However, the non-compete agreement does not prohibit our company from investing in the existing

business carried out by Cordlife India,” said the company.

Cordlife India is 85 per cent owned by a CBB subsidiary, CS Cell Technologies (CSCT). As of yesterday, Cordlife Group has invested \$1.5 million in redeemable convertible bonds in CSCT.

Cordlife Group intends to use the expected listing

proceeds to further develop and expand its business in Singapore and abroad as well as increase its storage capacity at its headquarters at Yishun's A'Posh Bizhub.

It also wants to use the funds for IT infrastructure investments and for other working capital purposes.

According to research by Deloitte & Touche Financial Advisory Services,

Cordlife Group controls 62 per cent and 28 per cent of the Singapore and Hong Kong market, respectively, placing it as Singapore's top cord blood bank.

Cordlife Group's issue manager and co-placement agent is PrimePartners Corporate Finance, and UOB-Kay Hian is its underwriter and other co-placement agent.