

CORDLIFE GROUP LIMITED

(Company Registration No. 200102883E)
(Incorporated in the Republic of Singapore)

**RESPONSE TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION
(SINGAPORE) ("SIAS") RELATING TO THE COMPANY'S ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2021 ("FY2021 ANNUAL REPORT")**

The board of directors ("**Board**" or "**Directors**") of Cordlife Group Limited ("**Cordlife**" or the "**Company**" and together with its subsidiaries, the "**Group**") has received questions from SIAS in relation to the Company's FY2021 Annual Report.

The Company's responses to SIAS's questions are set out in the Appendix to this announcement. For clarity, the Company has grouped together certain sub-questions and provided a consolidated response to such sub-questions.

For and on behalf of the Board
CORDLIFE GROUP LIMITED

Ms. Tan Poh Lan
Executive Director and Group CEO
26 April 2022

Appendix

Q1. Would the board/management provide shareholders with greater clarity on the following operational and financial matters? Specifically:

(i) Cord blood, cord lining and cord tissue banking services: The revenue recognised from cord blood, cord lining and cord tissue banking services has decreased from \$60.0 million in FY2019 to \$47.8 million in FY2020 (restated) to \$44.8 million in FY2021. Can management provide shareholders with insights on the trends on new customers, average fees, etc and to give more colour to prospects of its core business?

Between FY2019 to FY2021, the Group's services had mainly been classified as essential services and its core operations, with proper hygiene protocols in place, could largely continue despite the movement limitations and/or safe distancing measures imposed in most of the Group's operating markets due to the COVID-19 pandemic. However, COVID-19 had affected the demand for the Group's banking services. Consumers were tighter with their spending, and in some of the regions that the Group operates, movement limitations and border restrictions has made service delivery even more challenging. This has resulted in a decrease in new samples processed and stored from 26,700 in FY2019 to 20,500 in FY2020 and 19,300 in FY2021. However, we have kept our contract fees consistent, and the decrease in new samples stored was mitigated by the conversion of more clients to higher value price plans mainly in Singapore and the Philippines over the last two financial years.

While the global birth and fertility rate continues to decline, the introduction of various government initiatives is expected to help improve the situation. In the Group's main market of Singapore, the authorities had introduced the Baby Support Grant to supplement the Baby Bonus cash gift to alleviate child raising costs and encourage couples to continue with their parenthood plans¹. The implementation of recent revisions to the Government-Paid Maternity Leave scheme are also expected to potentially reduce the burden on employers and provide protection for more female employees looking to start a family². All these are expected to potentially help increase demand for the Group's products and services in the mid to long term.

In addition, the Group will proactively work on developing an ecosystem with doctors and hospitals in the various markets to educate and encourage the utilisation of stem cells for various healthcare

¹ Made for Families – Baby Support Grant (<https://www.madeforfamilies.gov.sg/support-measures/raising-your-child/financial-support/baby-support-grant>)

² Proposed Amendments to Child Development Co-Savings Act to Provide More Support for Parents and Employers (<https://www.msf.gov.sg/media-room/Pages/Proposed-Amendments-to-Child-Development-Co-Savings-Act-to-Provide-More-Support-for-Parents-and-Employers.aspx>)

treatments. As the interest in stem cell therapy grows, the Group believes that its banking business will be a primary beneficiary.

With the easing of restrictions, the Group will continue to ramp up both its offline and digital initiatives to strengthen its position and expand its footprints beyond the current markets. The Group aims to increase engagement with clients and their broader families in the various markets to grow its diagnostic and digital healthcare business segments as well as its banking business segment. The Group will also continue to strengthen its digital capabilities to improve online customer experience on the platforms, increase operational efficiency and reduce the costs of service delivery.

(ii) OptiQ: Can management help shareholders better understand the potential of lenticule banking in Singapore and Hong Kong? With no established/approved treatments, are consumers banking their corneal lenticules for hope of treatments 10-20 years down the line?

The primary market for Cordlife's lenticule banking service is patients who are undergoing refractive eye surgery using lenticule extraction methods (e.g. SMILE) to correct myopia and astigmatism. The procedure involves using a laser to create a corneal lenticule, which is then extracted whole through a small incision. Currently, the lenticules extracted during these procedures are routinely discarded. Patients can now use Cordlife's lenticule banking service to cryopreserve their lenticules for potential re-implantation in the future. Although lenticule implantation has not yet been accepted as a standard of care in clinical practice, preliminary research suggests that it may help correct presbyopia, hyperopia, and other eye conditions.

Growing prevalence of myopia

According to data from the Singapore Ministry of Health, in 2019, 65 percent of the children by the age of 12 and 83 percent of young adults in the country were myopic.³ It was projected that by 2050, 80 to 90 percent of all Singaporean adults over the age of 18 would be myopic. Hong Kong's situation is equally concerning, with more than 40 percent of the city's school children myopic by the age of eight. According to a recent study conducted by The Chinese University of Hong Kong's Faculty of Medicine to assess the impact of the COVID-19 pandemic on myopia incidence and progression among school-aged children, the prevalence of myopia is expected to rise even further, with myopia incidence increasing 2.5-fold in Hong Kong during the pandemic.⁴

³ Ministry of Health website. Speech by Dr Lam Pin Min, Senior Minister of State for Health, at the Opening of the Singapore National Eye Centre's Myopia Centre, 16 August 2019. <https://www.moh.gov.sg/news-highlights/details/speech-by-dr-lam-pin-min-senior-minister-of-state-for-health-at-the-opening-of-the-singapore-national-eye-centre-s-myopia-centre-16-august-2019>. Last accessed 20 April 2022.

⁴ Zhang XJ, Cheung SL, Chan H-N, et al. Myopia incidence and lifestyle changes among school children during the COVID-19 pandemic: a population-based prospective study. *Br J Ophthalmol*. 2021-319307:1-7.

Backed by Singapore Eye Research Institute

Patented by Singapore Health Services Pte Ltd, the expertise to store and re-implant a person's corneal lenticules was developed by Singapore Eye Research Institute ("SERI"), the research arm of Singapore National Eye Centre ("SNEC"). SERI is one of the key public healthcare facilities for eye surgeries and treatments. As the exclusive licence holder of this patent, Cordlife is the first and only company in Asia to offer this new banking service. Through this service, we aim to alleviate the growing and unmet clinical need for the treatment of presbyopia.

Potential of Lenticule Re-implantation to treat Presbyopia

Presbyopia affects nearly 1.7 billion people worldwide in 2012, with experts projecting that the number will rise.⁵ Potentially all of whom can be treated by lenticule implantation. Furthermore, lenticule implantation may be superior over artificial corneal in-lays currently implanted to treat presbyopia, as there is minimal risk of corneal scarring or haze, which is a common complication with these non-biological implants.⁶ Supported by these statistics and proof of efficacy, we believe lenticule cryopreservation and re-implantation will bring significant benefits to patients and bring eye healthcare to the next level.

Studies in lenticule re-implantation show great promise in the technology and have demonstrated the following:

- A precedent human study for lenticular re-implantation was conducted by Pradhan and colleagues in 2013, when a SMILE lenticule extracted from a myopic eye was used to correct a hyperopic recipient, without any adverse side effects.⁷
- A landmark clinical trial by Ganesh *et al.* then demonstrated that re-implanted post-thawed allogeneic SMILE corneal lenticules safely corrected aberrations in 9 human eyes and the therapeutic effect was maintained for the follow-up duration of 6 months without any adverse side effects.⁸
- In a study involving 5 patients, autologous transfer of lenticule from the myopic eye evidently corrected the hyperopic condition of the other eye. The corrections remained stable throughout the follow-up period.⁹

⁵ Market Scope, Global Presbyopia-Correcting Surgery Market Report, April 2012.

⁶ Jacob S, Kumar DA, Agarwal A, et al. Preliminary Evidence of Successful Near Vision Enhancement With a New Technique: PrEsbyopic Allogeneic Refractive Lenticule (PEARL) Corneal Inlay Using a SMILE Lenticule. *J Refract Surg.* 2017;33(4):224-229.

⁷ Pradhan KR, Reinstein DZ, Carp GI, Archer TJ, Gobbe M, Gurung R. Femtosecond Laser-Assisted Keyhole Endokeratophakia - Correction of Hyperopia by Implantation of an Allogeneic Lenticule Obtained by SMILE From a Myopic Donor. *J Refract Surg.* 2013;29(11):777-782.

⁸ Ganesh S, Brar S, Rao PA. Cryopreservation of Extracted Corneal Lenticules after Small Incision Lenticule Extraction for Potential Use in Human Subjects. *Cornea.* 2014;33(12):1355-1362.

⁹ Sun L, Yao PJ, Li MY, Shen Y, Zhao J, Zhou XT. The Safety and Predictability of Implanting Autologous Lenticule Obtained by SMILE for Hyperopia. *J Refract Surg.* 2015;31(6):374-379.

- Personalised storage of corneal lenticules for future re-implantation is an authentic enterprise as cryopreserved lenticules retained structural and cellular stability upon thawing.^{10,11}
- Mastropasqua *et al.* similarly demonstrated that the stromal lenticule addition keratoplasty procedure was clinically efficient in improving the corneal shape and vision in 10 patients with keratoconus.¹²
- Many other groups such as Zhao *et al.*¹³ and Pradhan *et al.*¹⁴ also published case reports of implantation of SMILE-extracted lenticules in patients with keratoconus to improve quality of vision, complement Intra Corneal Ring Segments (Sachdev *et al.*)¹⁵, substitute extruded intracorneal rings (Daoud *et al.*)¹⁶ in patients with keratoconus, and to manage ectasia after SMILE with simultaneous pocket collagen crosslinking (Ganesh *et al.*)¹⁷.

(iii) Stem cell therapy research: The group is collaborating in the first-in-human clinical trial of a home-grown umbilical cord blood (UCB) cell therapy for cancer patients. What is the group's role in this research? What are the services that can be offered if this research proves to be successful?

The first-in-human clinical trial uses a novel patented technology developed by Professor William Hwang and his laboratory team from Duke-NUS Academic Medical Centre to expand ex-vivo the number of blood-forming stem cells from banked umbilical cord blood to generate sufficient quantity of quality blood-forming stem cells to treat adult patients suffering from blood cancers or blood related conditions. This clinical trial is supported by the Singapore Ministry of Health's National medical Research Council under its Clinical Trials Grant-Industry Collaborative Trials (CTC-ICT) Scheme and Cordlife. We are also involved in the cord blood expansion GMP manufacturing validation. If this and subsequent Phase 2 and 3 clinical trials prove to be successful, it will drive greater awareness of the use of cord blood stem cells and increase treatment options for adult patients. As the interest in stem cell therapy grows, we believe that our banking business will be a primary beneficiary.

¹⁰ Noreiga KM, Toh KP, Poh R, et al. Cornea lenticule viability and structural integrity after refractive lenticule extraction (ReLEx) and cryopreservation. *Mol Vis.* 2011;17:3437-3449.

¹¹ Yam HFm Zahirah N, Goh T-W, et al. Decellularization of human stromal refractive lenticules for corneal tissue engineering. *Sci Rep.* 2016;26339.

¹² Mastropasqua L, Nubile M, Salgari N, Mastropasqua R. Femtosecond laser-assisted stromal lenticule addition keratoplasty for the treatment of advanced keratoconus: a preliminary study. *J Refract Surg.* 2018;34(1):36-44.

¹³ Zhao J, Shang J, Zhao Y, et al. Epikeratophakia using small-incision lenticule extraction lenticule addition combined with corneal crosslinking for keratoconus. *J Cataract Refract Surg* 2019; 45:1191–1194.

¹⁴ Pradhan KR, Reinstein Dz, Vida RS, et al. Femtosecond Laser-Assisted Small Incision Sutureless Intrastromal Lamellar Keratoplasty (SILK) for Corneal Transplantation in Keratoconus. *J Refract Surg.* 2019;35(10):663-671.

¹⁵ Sachdev GS, Sachdev R, Sachdev MS. Intra corneal ring segment implantation with lenticule assisted stromal augmentation for crosslinking in thin corneas. *American Journal of Ophthalmology Case Reports* 19 (2020) 100726.

¹⁶ Daoud RC, Sammouh FK, Baban TA, et al. Allogenic corneal tissue transplantation in substitution for extruded intracorneal rings: A case series. *Journal français d'ophtalmologie* 2019; 42, 1090—1093.

¹⁷ Ganesh S, Brar S, Bowry R. Management of small-incision lenticule extraction ectasia using tissue addition and pocket crosslinking. *Journal of Cataract and Refractive Surgery* Publish Ahead of Print. DOI: 10.1097/j.

(iv) Moms Up mobile app: What are the number of downloads and the weekly/monthly active users?

Moms Up is still in its early stages. We are constantly striving to improve our Moms Up mobile app, which aims to provide relevant information and resources to Asian women who are expecting a baby or planning to have a baby, as well as women with young children. Our key focus at present, is on building up the content and functionalities, of the app, which we believe could potentially generate new revenue streams for us in the near future. We have launched the app in some of our markets such as Singapore, Philippines, Malaysia and Indonesia. Since the start of the launch of Moms Up, , we have had close to 15,000 downloads.

(v) Can the company showcase its successes in its digital marketing efforts? Please also provide links to its profile/page on the popular social media platforms and the download link to Moms Up.

During the peak of the COVID-19 pandemic, especially when movement restrictions were in place, limiting our physical promotional activities, the Group overcame the restrictions by expanding our digital capabilities and improving our online platform to better serve existing clients and attract new ones. We increased our digital marketing efforts in each of our operating markets and were able to generate business opportunities through digital activities, such as webinars and other virtual awareness programmes. As a result, we managed to preserve a large part of the Group's top-line performance. We have also made progress in expanding our online presence by successfully integrating our services online, allowing expectant parents to enrol in our banking services remotely. As governments around the world learn to manage the COVID-19 situation better and work to adopt an endemic living approach, we anticipate that we will be able to gradually resume our offline marketing initiatives to supplement our digital initiatives to grow the Group's business.

The followings are the links to similar webinars and virtual events organised by the Group in the past:

- Debunking Pregnancy Myths and Mom 101: Why Breastfeed?: <https://bit.ly/debunking-pregnancy-myths>
- Prepare for Labour - Pain Relief and Breathing Exercises: <https://bit.ly/3jOvdFR>
- Online baby expo: <https://bit.ly/2ZcrFn8>

The following are the links to Cordlife's social media pages:

- Cordlife India on Facebook: <https://www.facebook.com/CordlifeIndia>
- Cordlife Philippines on Facebook: <https://www.facebook.com/CordLifePhilippines>
- Cordlife Indonesia on Instagram: <https://instagram.com/cordlifeindonesia>

The Moms Up Singapore App can be downloaded from the following links:

- iOS: <https://apps.apple.com/sg/app/moms-up-singapore/id1520643772>
- Android: <https://play.google.com/store/apps/details?id=sg.momsup.cordlife>

(vi) Restatement: What are the reasons that the financial statements for FY2017, FP2018, FY2019 and FY2020 are all restated (as shown in the financial highlights in AR2019 (below; left) and AR2021 (below; right)?



Restatements in AR2019

In AR2019, the Group presented its first financial statements prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) was applied. In the financial years prior to FY2019, the financial statements of the Group were prepared in accordance with the Financial Reporting Standards in Singapore ("FRS").

In addition to the adoption of the new framework, the Group also concurrently applied, amongst others, SFRS(I) 15 Revenue from Contracts with Customers. SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The application of SFRS(I) 15 resulted in adjustments made to revenue and gross profit in the financial year ended 31 December 2018, and correspondingly 12M2018. To ensure comparability, the Group has also restated the figures for FY2017 in the Financial Highlights in AR2019.

For further details on how the transition from FRS to SFRS(I) and the adoption of, among others, SFRS(I) 15 have affected the Group's financial position, financial performance and cash flows, and the Company's financial position, please refer to the summary of the quantitative impact and the accompanying notes set out in Note 38 of the financial statements for the financial year ended 31 December 2019, on pages 121 to 132 of AR2019.

Restatements in AR2021

In FY2021, the Group reclassified the presentation of interest arising from contract assets from finance income to revenue to better reflect the nature of the revenue and income. The comparative figures in the statement of comprehensive income for FY2020 have accordingly been reclassified. To ensure comparability, the Group has also restated the figures for FY2019 in the

Financial Highlights in AR2021. For further details on the quantitative impact of the reclassification, please refer to page 118 of AR2021.

The financial statements for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 have been audited by the external auditor of the Group, KPMG LLP.

Q2. On 18 March 2022, the company announced that Mr Zhao Guanglei ceased to be a substantial shareholder after he disposed his 12.8 million shares (5.1%) held by Ally Honour Trading (HK) Limited. The shares were acquired by Chen Yi Dan (via Cedar Tree Investment Ltd).

On 11 November 2021, Mr Hon Kwok Lung, who held 27.99% of the company's shares or 71.5 million shares via Full Day Limited and Sincere View International Ltd, disposed of his shares for \$37.2 million. The shares were acquired by Lui Yim Sheung and Yiu Chi Shing via TransGlobal.

This was followed by several changes to the board composition. Mr Fong Chi Wah and Mr Chang Chien resigned as directors of the company on 11 November 2021, Ms Wang Lin on 1 December 2021 while Ms Chen Xiaoling, Mr Yiu Ming Yiu and Mr Chow Wai Leong were appointed as NINEDs of the company on 1 December 2021.

(i) Have the numerous changes affected/disrupted the board?

(iii) Are the strategic plans of the group affected by the changes? Is the board/management in contact with the new controlling shareholder to understand how they view the current strategic direction of the group?

Cordlife remains committed to its vision of helping people live healthier, happier and longer, and we take pride in providing our clients with high quality and innovative healthcare services. In line with that, we plan to continue strengthening our core competencies in the banking of biological materials, while also expanding our diagnostic and digital businesses. Going forward, we plan to continue broadening our footprint and business scope to further solidify our position as one of the leading provider of healthcare solutions in Asia.

The Board's role, among others, is to provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives. The Board is of the view that the changes in substantial shareholders have not affected or disrupted the Board's ability to carry out its role or affected the strategic plans of the Group. The new substantial shareholder, TransGlobal Real Estate Group Limited ("TransGlobal"), had nominated Non-Independent Non-Executive Directors ("NINED(s)") to the Board during the year after becoming a substantial shareholder. The new NINEDs, together with the existing Directors and management of the Company ("Management") were present at a Board meeting earlier this year. They remain committed to the aforementioned strategic plans, as well as the other plans that the Group has moving forward, mentioned in the Chairman's Message and CEO's Message in the FY2021 Annual Report.

The changes to the Board composition, which only relate to NINEDs, are also not expected to affect or disrupt the Board's ability to carry out its role, the Group's strategic plans, or the business and operations of the Company. Ms Tan Poh Lan, the Executive Director and Group Chief Executive Officer, remains on the Board and is responsible, along with Management, for day-to-day operations of the Group, the formulation of the Group's strategic directions and expansion plans and the management Group's overall business development strategies. In addition, five out of the current nine members of the Board are Directors who have been on the Board since 2019 or earlier and are therefore able to provide stability and continuity to the Board based on their years of experience.

(ii) Several directors on the board are first time directors of a listed company on SGX. Would the board have the necessary breadth and experience as directors of listed companies to provide effective guidance to management?

(iv) In addition, would the board/nominating committee disclose the rationale, selection criteria and search and nomination process for the newly appointed directors as required by SGX's template (shown below; emphasis added)?

Date Of Appointment	01/12/2021
Name Of Person	Yiu Ming Yiu
Age	33
Country Of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Yiu's qualification and experience, is of the view that he has the requisite experience and capability to assume the duties and responsibilities of a Non-Independent Non-Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Director
Professional qualifications	1. Master's in Business Administration, Peking University, Guanghua School of Management 2. Business Information Technology, Ngee Ann Polytechnic
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or any of its principal subsidiaries	The appointee is the son of Mr Yiu Chi Shing, who is an indirect controlling shareholder of Cordlife Group Limited through his company, TransGlobal Real Estate Group Limited.

As stated in the Corporate Governance Report in the FY2021 Annual Report, the NC has a process for selecting and appointing new directors. The need for the appointment of new directors is identified in areas where additional expertise and skills will add to the effectiveness and diversity of attributes of the current Board. The NC then identifies potential candidates through the engagement of professional firms and recommendations by Directors, Management and shareholders. The NC assesses the suitability of the potential candidates by evaluating their skills and knowledge. The required level of commitment and other information about the Company and the Board are communicated to the candidates to allow them to make an informed decision. The NC will then recommend its selected candidate to the Board for approval of the appointment.

The newly appointed Directors were briefed by Management on the Group's structure, strategic objectives, business operations and policies. They were also briefed by the Company's legal counsel on among others, continuing listing obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited and an overview of 'Director's Duties and Responsibilities' under Singapore law, following their appointment. All first-time Directors will also enrol for the Listed Entity Director Programme organised by the Singapore Institute of Directors. All the Directors will be given the opportunities to visit the Group's operational facilities and to interact with members of the Management team, subject to prevailing COVID-19 travel and safe distancing regulatory restrictions.

In relation to the experience of each individual newly appointed Director, Ms Chen Xiaoling brings with her vast experience in the biomedical and pharmaceutical industry which is relevant to the Company's business. Mr Yiu Ming Yiu brings with him investment and factoring business knowledge, and Mr Chow Wai Leong offers experience in business development. More details about the professional background and experience of each of these Directors can be found on pages 23 to 24 of the FY2021 Annual Report.

Q3. Resolution 10 in the notice of annual general meeting is to seek shareholders' approval of additional director's fee of \$200,000 to Dr Ho Choon Hou for the financial year ending 31 December 2022, payable quarterly in arrears.

In the explanatory notes, it was disclosed that the additional director's fee proposed for the non-independent non-executive director (Dr Ho Choon Hou) is based on his additional active role in the group.

The profile of Dr Ho Choon Hou can be found on page 20 of the annual report. In the company's announcement dated 30 November 2021, it was disclosed that Dr Ho Choon Hou would be re-designed from acting board chairman to vice chairman, in charge of the mergers and acquisitions (M&A) and investment.

- (i) How was the additional fee of \$200,000 determined? How much time and effort would the additional focus on M&A demand from Dr Ho Choon Hou? Is this a new focus of the board?***
- (ii) Would the new focus on M&A make Dr Ho Choon Hou more an executive director than a non-executive director?***

As mentioned in the Group CEO's message in the FY2021 Annual Report, Cordlife remains focused on broadening our footprint and business scope to further strengthen our position as the leading provider of healthcare solutions in Asia. In addition to organic growth, the Company continues to closely monitor the market for suitable opportunities and targets that have strong synergies with ours to grow the business.

As a co-founder and Chairman of the Company in the early days, Dr Ho Choon Hou ("Dr Ho") has gained a good understanding of the Company's business and operations. Dr Ho Choon Hou is medically trained, has held various medical portfolios in the healthcare industry and has extensive experience managing healthcare companies. In addition, Dr Ho comes with a wealth of experience in healthcare related private equity work in his position as the Managing Director of Southern Capital Group Limited, where his access to deal flow will also be beneficial to Cordlife. His reputation and standing in the healthcare and financial industries are well regarded.

The Board has considered Dr Ho's experience and standing in the healthcare and financial industries, as well as his contributions to the Company's growth. Dr Ho will be committing additional time and effort that is required for the performance of his additional role, which the Board will monitor closely.

Notwithstanding his additional role in Cordlife, Dr Ho will continue to be in full employment as Managing Director of Southern Capital Group Limited. He will continue to serve as a non-executive Director of Cordlife.