**CORDLIFE GROUP LIMITED**

(Company Registration No. 200102883E)

(Incorporated in the Republic of Singapore)

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**ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2023**
**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

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The board of directors ("**Board**" or "**Directors**") of Cordlife Group Limited ("**Cordlife**" or the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Notice of Annual General Meeting ("**Notice of AGM**") released on 13 April 2023 relating to the Company's annual general meeting ("**AGM**") to be held by electronic means on 28 April 2023 at 10.00 a.m.

As stated in the Notice of AGM, the Company will address substantial questions and relevant comments (as may be determined by the Company at its sole discretion) from shareholders that are related to the resolutions to be tabled for approval at the AGM which were submitted no later than 6.00 p.m. on 19 April 2023. (i.e. 7 calendar days from the publication of the Notice of AGM).

The Company has received various questions from our shareholders and we would like to thank shareholders for the questions and for submitting them by the submission deadline. As there were substantial overlaps in the questions received, we have for shareholders' ease of reference summarised and grouped together some questions and provided consolidated responses.

The responses to substantial and relevant questions are set out in the Appendix to this announcement.

For and on behalf of the Board
**CORDLIFE GROUP LIMITED**

Ms. Tan Poh Lan
Group CEO and Executive Director
21 April 2023

## Appendix

1. **The Company has a healthy balance sheet as at 31 December 2022 ("FY2022"), with zero debt and the same cash balance of S$79.3 million as per the previous financial year ended 31 December 2021 ("FY2021"). The Company has to date also not disclosed any foreseeable large capital investment or cash requirements for business expansion. Why was a dividend proposed for FY2021, but not for FY2022? Will the Company continue with this practice of not declaring a dividend in future years?**

   In determining whether or not to declare or to recommend the payment of a dividend, the Board will consider, amongst other things, the Company's expansion plans, existing projects and cash flow projections. Amidst the global economic uncertainty and challenging operating environment, the Directors did not declare or recommend dividends for FY2022. The Directors will review the dividend payout in the following half-years after taking into consideration, amongst other things, the Company's performance and business expansion plans.

2. **Going forward and in line with good corporate governance, will the Board be formulating a proper and transparent dividend policy as opposed to the current position which appears to be without any framework or guidance, despite having so many capable and experienced Board members?**

   Although the Company does not have a formal dividend policy, it believes in rewarding shareholders fairly and sustainably, while balancing dividend payments with its capital requirements.

   As stated in the response to Question 1 above, in determining whether or not to pay an interim dividend or to recommend the payment of a final dividend, the Board will need to take into consideration various other factors, such as the capital requirements for its short-term and long-term growth initiatives, existing projects, cash flow projections as well as the external macroeconomic factors.

3. **How does the Company manage its currency exposures in the countries that it operates in, especially in India, Bangladesh, Myanmar, Cambodia and Indonesia?**

   The Group mainly uses natural hedging to manage its currency exposure in the various markets it operates in. This includes, to the extent possible, aligning sales and purchases in the respective local currency to mitigate the potential effect of fluctuations in exchange rates. If certain purchases are made in non-local currency, the Group endeavours to reduce the exchange rate impact (if any) by incorporating certain pricing adjustment clauses in the agreements with the vendors to buffer for any potential exchange rate fluctuations. The Group also takes into consideration the duration of such agreements when considering how to manage any potential impact.

4. **Why did the Company not conduct any share buybacks to enhance shareholders value despite the recent low share price? Are there any concrete plans by the Board or management to enhance the value of the Company given its current undervalued position?**

   While share buybacks may play an important role in creating value for our shareholders, it is important for us to allocate our excess funds and resources prudently. As the pandemic eases, we are entering a new phase with potential opportunities for expansion and growth, both organic and inorganic. In order to have adequate funds to finance any such initiatives and to leverage on any opportunities that may arise, and yet continue to have sufficient funds for any unforeseen contingencies given the uncertain macroeconomic environment, we did not recently conduct any share buybacks. In the medium to long-term, subject to overall market conditions, we aim to balance growth investments with capital return initiatives such as share repurchases, as part of our overall capital allocation strategy.

**5. Are there plans to expand the business to new overseas markets given the declining birth trends in Singapore and Hong Kong, which are the markets that constitute the Company's main revenue drivers?**

As mentioned in the Group CEO's message in the FY2022 Annual Report, while global fertility rates have been on the decline, partially attributed to the pandemic, parents are becoming increasingly conscious about healthcare and preventive care for their children and families, leading to an increase in medical expenditure.[1] Singapore and Hong Kong are witnessing growth in affluence. As parents become more affluent, they are correspondingly more likely to have higher disposable income to invest in their child. In particular, with the increasing demand for diagnostic services in all markets, we are able to roll out more products and services. In addition, with a wider suite of services at our disposal, we are able to upsell our services and offer product and service bundles to our clients.

Additionally, in the sphere of stem cells and genetics, there has been considerable attention in the clinical field due to the growth in utilisation rate in recent years. The number of clinical trials per annum related to mesenchymal stem cell therapy has increased exponentially in the last decade, from less than 10 in 2005 to over 140 in 2020, and is likely to continue on this trajectory.[2] The Group has been actively seeking opportunities to collaborate with clinicians and hospitals to conduct clinical trials.

More importantly, while Singapore and Hong Kong contribute to the highest proportion to the Group's revenue, the contribution from our other markets like Philippines and Indonesia have been increasing. Additionally, the penetration for these markets, along with others such as India and Malaysia, while still low, is expected to grow in the near future as the middle income class in these regions expand.

The Group's strategy involves the continued focus on revenue drivers in all its operating regions while looking for lucrative expansion opportunities, both geographically by expanding to new business markets and in terms of product and service scope. The Group has been working towards implementing a multilayered 1-2-4 strategy: representing 1 for the child, 2 for the parents, and 4 for the grandparents. Our goal is to create an all-encompassing range of products and services that meet the needs of all three generations.

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[1] The Straits Times, Budget 2022: Healthcare spending to form bulk of increase in social expenditures by 2030: https://www.straitstimes.com/singapore/budget-2022-healthcare-spending-to-form-bulk-of-govt-expenditure-by-2030

[2] Spherical Insights: https://www.globenewswire.com/en/news-release/2022/11/17/2558543/0/en/Global-Stem-Cell-Therapy-Market-Size-to-grow-USD-1027-Million-by-2030-CAGR-of-17.html