

MEDIA RELEASE

Cordlife Accelerates Lab and Technical Staff Recruitment to Rebuild Foundation and Strengthen Core Processes in Singapore

SINGAPORE, 7 May 2024 – Cordlife Group Limited (“**Cordlife**” or the “**Company**”) announced today that it has accelerated recruitment of laboratory and technical staff to ensure laboratory operational excellence as part of its strategic plan for financial year 2024 (“FY2024”) to prioritise rebuilding its foundation and strengthening core processes to prevent future disruptions.

Cordlife also provided an update that as of 30 April 2024, a significant number of affected active clients whose cord blood units were stored in Tank A has accepted the offer of a refund of annual fees from the year of the temperature excursion.

The Company will continue to store cord blood units for these clients until the maturity of their service agreements when their children turn 21, without charge. In the event a transplant physician determines that the cord blood unit cannot be successfully used for an approved cord blood transplant solely because it does not meet the viability criteria, Cordlife will make every effort to find a suitable replacement.

Cordlife has also extended the same offer to affected clients with cord blood units stored in Tank 6 and the dry shipper. The Company will be reaching out to these clients with the next steps in due course.

Cordlife has confirmed that its medical and technical teams, along with three of its Singapore-based directors – Dr Ho Choon Hou, Mr Yeo Hwee Tiong and Mr Cheong Tuck Yan Titus Jim – and Group Chief Executive Officer, Mr Ivan Yiu, have been engaging with the Ministry of Health (“MOH”) regularly to provide updates on its corrective actions to rectify the identified lapses.

Cordlife’s new sample collection in Singapore has been suspended by MOH since 15 December 2023, following checks that reported suboptimal temperatures in seven of the 22 cryogenic storage tanks based in Singapore. Checks on the remaining 15 tanks confirmed that they were not affected.

The Company emphasised that the tanks managed by its subsidiaries in markets outside Singapore remain unaffected.

As announced on 8 April 2024, cord blood units in Tank A are unlikely to be suitable for stem cell transplant purposes; units in Tank 6 and a dry shipper are deemed to be at high risk of being affected



by the temperature excursions, while cord blood units in the remaining five other tanks are deemed to be at low risk (“**Low-Risk Tanks**”).

The Company will undertake additional testing on more cord blood units from the Low-Risk Tanks and will pause any applicable billings for clients whose cord blood units are stored there, pending the test results of each tank.

Singapore Exchange Mainboard-listed Cordlife operates Asia’s largest network of private cord blood banks with stem cell storage facilities in six markets, including Singapore. Since its inception, Cordlife has processed and stored more than 400,000 cord blood, cord lining, cord tissue and placenta stem cell samples across its stem cell storage facilities in Asia.

As part of Cordlife’s strategic plan to strengthen core processes and prevent future disruptions, it has executed or is undertaking several major rectification plans in recent weeks:

Hiring More Technical and Laboratory Staff – Cordlife has begun hiring more specialists to lead its laboratory teams more effectively. The Company has successfully recruited two additional lab directors with PhDs and implemented a retention programme to foster stability among its high-potential lab personnel in Singapore. Additionally, Cordlife continues its recruitment efforts to further enhance in-house technical expertise and improve clinical governance standards by adding more lab directors to its team.

Cordlife is also reaching out to former staff from its processing and storage facilities in other markets to support its laboratory operations in Singapore. As part of a major overhaul of processes in Singapore, the Company has commenced extensive training aimed at cultivating a stronger sense of accountability and responsibility among its staff.

Engagement of Expert Consultant from the Foundation for the Accreditation of Cellular Therapy (“FACT” www.factglobal.org) – In its pursuit of industry excellence, Cordlife has enlisted the expertise of a consultant from FACT. This US-based expert has been guiding its technical team since December 2023 and will be on-site in mid-May to provide further guidance to the Singapore team on reinforcing core processes and on the Company’s organisational structure.

Enhanced Monitoring and Operations – Cordlife has implemented a more advanced digitalised system to enhance 24/7 real-time monitoring of its Singapore lab facility, both on-site and remotely. Additionally, the Company has also fortified fail-safe measures to ensure uninterrupted operations.

Establishment of a Distinguished Medical and Technical Advisory Board – Cordlife has been in discussions with several esteemed medical and technical experts as part of its effort to form a Medical and Technical Advisory Board for the Group. This Board aims to provide guidance and insights to the Company’s medical and technical teams. By harnessing the collective expertise of



these distinguished professionals, the Company hopes to improve the quality and efficacy of its services to ensure it remains at the forefront of medical and technical innovation and excellence.

Engagement and Resolution Reached with Affected Customers – Since the lapses were identified, Cordlife has been providing updates to its clients as soon as it was in the position to do so. In February this year, Cordlife provided offers to approximately 1,800 active clients who had stored cord blood units in Tank A. Clients with units stored in Tank 6 and the dry shipper have also received information on Cordlife’s offer.

Mr Yiu said, “I sincerely apologise to all our clients and empathise with their disappointment and concerns over these lapses. We are diligently working on ways to minimise the impact on our clients.”

In response to media queries on the letter of demand from solicitors acting on behalf of one of its clients as well as the notice of a claim lodged against the Company in the Small Claims Tribunals by another client, Mr Yiu said, “Although we have sought legal advice on the claims and allegations, we want to address the issues amicably and hope that the affected clients will work with us to achieve resolution.”

Commenting on the financial impact of the MOH suspension, Mr Yiu said that Cordlife’s FY2023 performance was affected as new sample collection was suspended from December 2023. “FY2024 will be dedicated to rebuilding Cordlife’s foundation, with a focus not just on growth but also on long-term sustainability. The implementation of enhanced processes and boosting staff expertise and experience will make us stronger so we can expand to new markets and capture adjacent opportunities. We hope that this strategic advancement will elevate our position within stem cell field in the region,” he added.

“Despite the suspension, we have continued to incur fixed running costs in Singapore as we are committed to meeting our contractual obligations with our clients. Even though the suspension has continued thus far in FY2024, we are investing in more resources to improve our core processes and hire more qualified personnel. This demonstrates our unwavering commitment to our stakeholders, including our clients, MOH, business partners, staff and shareholders,” Mr Yiu said.

Cordlife also wishes to acknowledge and address the concerns raised by active clients whose service agreements are nearing maturity. Mr Yiu said, “We would like to reassure these clients that the Company will not dispose of any cord blood units belonging to them while we work towards resolution. We also kindly ask for their patience as we carefully assess our next steps, and we will contact these clients as soon as we have determined the most appropriate course of action.”

End



ABOUT CORDLIFE GROUP LIMITED

Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”), founded in 2001, owns and operates Asia’s largest network of private cord blood banks. The Group is committed to ensuring the health and well-being of both mother and child, amongst others. Listed on the Mainboard of the Singapore Exchange since 2012, the Group is a pioneer in private cord blood banking in Asia with extensive transplant experience, having processed and stored more than 400,000 cord blood, cord lining, cord tissue, and placenta stem cell samples. Cordlife is an industry leader in Hong Kong, Indonesia, and the Philippines and one of the top three market leaders in India and Malaysia. Through its majority-owned subsidiary in Malaysia, Stemlife Berhad, Cordlife has an indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. In addition to cord blood, cord lining, cord tissue, and placenta banking, Cordlife offers families a comprehensive suite of clinical diagnostics, including non-invasive prenatal testing, paediatric vision screening, and newborn metabolic screening. Cordlife strives to ensure reliable quality and is committed to a customer-centric approach. For more information, visit <http://cordlife.listedcompany.com>.

Media & Investor Contact

Isaac Tang

WhatsApp (Text): (65) 9748 0688

cordlife@wer1.net