

CORDLIFE GROUP LIMITED
(Company Registration No.: 200102883E)
(Incorporated in the Republic of Singapore)

RECEIPT OF THIRD NOTICE FROM THE MINISTRY OF HEALTH

The Board of Directors (the "**Board**") of Cordlife Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcements dated 30 November 2023, 13 December 2023, 15 December 2023, 17 January 2024, 23 January 2024, 8 April 2024, 28 May 2024 and 18 June 2024 relating to, among others:

- (a) the issuance of a notice from the Ministry of Health ("**MOH**") to stop for a period of up to six months, the collection, testing, processing and/or storage of any new cord blood and human tissues, or the provision of any new types of tests to patients (the "**Notice**");
- (b) the Company's acceptance of the contents of the Notice, and the letter from the MOH directing the Company to give effect to the contents of the Notice;
- (c) the letter from the MOH providing a list of the potential areas of non-compliance with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Service) Regulations (the "**Regulations**") that the MOH has identified based on its inspections;
- (d) the issuance of a further notice from the MOH to stop the collection, testing, processing and/or storage of any new cord blood for up to an additional three months with effect on and from 15 June 2024 or unless sooner approved by the Director-General of Health (the "**Second Notice**") and the Company's intention not to submit written representations to the MOH with respect to the contents of the Second Notice and to inform the MOH of the same; and
- (e) the letter from the MOH directing the Company to give effect to the contents of the Second Notice.

As previously announced, the Company has been making efforts towards implementing appropriate rectification measures to address all areas of non-compliance with the Regulations. The Company has also ramped up its rectification efforts in recent months, including through the establishment of an oversight committee (comprising certain directors and management) in May 2024 to address urgent matters. Additionally, in June 2024, the Company set up a Medical and Technical Advisory Board to guide the Company's medical and technical teams to ensure the highest levels of safety, quality and efficacy in its cord blood banking operations.

To further strengthen these initiatives, the Company has engaged Shandong Qilu Stemcell Engineering Co., Ltd. since July 2024 to guide and assist the Singapore team during the rectification period. Shandong Qilu Stemcell Engineering Co., Ltd., which is a subsidiary of Nanjing Xinjiekou Department Store Co., Ltd., operates in the Shandong province in China, and has around 1 million cord blood units in its cord blood bank. To date, they have facilitated over 10,000 cord blood transplants in China.

The Company wishes to update that it had on 29 August 2024 received a letter from the MOH, giving notice to the Company that it is able to resume its cord blood banking service operations in a controlled manner, with the proposed modifications to the conditions of the Company's cord blood banking service licence that the Company shall not collect, test, process and/or store more than 30 units per month of new cord blood from infant donors (including through any person appointed to provide the aforementioned services on behalf of the Company) from 15 September 2024 to 13 January 2025 (both dates inclusive), unless sooner approved by the Director-General of Health (the "**Third Notice**").

This is following the MOH's findings that further inspections conducted on the Company in August 2024 have shown that the Company has met the essential requirements necessary to resume its cord blood banking service operations, which include the successful validation of its AXP II System for cord blood processing, the implementation of a new temperature monitoring system with acceptable temperature monitoring practices, and the streamlining of its incident tracking and escalation workflow. Nonetheless, MOH indicated that there are areas for improvement, including the effectiveness of CGL's supervisory approach and consistency in its impact analyses of risks and issues. The low-risk tank testing has also not been completed. Considering the Company's significant staff and organisational changes, as well as updates to its procedures and processes since December 2023, the MOH has advised that it is necessary that the Company resume its cord blood banking service operations gradually in a controlled and calibrated manner to ensure the viability of the new cord blood units collected, tested, processed, and stored with the Company.

The Third Notice provides that the Company may make written representations to the Director-General of Health within 14 days after the date of receipt of the Third Notice. The Company is presently seeking advice on the appropriate response to the Third Notice and will provide an update in due course.

As the Company is unable to resume its full operations in relation to its cord blood banking services in view of the modification to the conditions of the Company's cord blood banking service licence in the Third Notice, this is expected to continue to have a negative financial impact on the Group for the financial year ending 31 December 2024.

In the meantime, shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company. They should consult their stockbrokers, bank managers, solicitors, or other professional advisers if they have any doubt about the actions they should take.

The Company will update its shareholders and the investing public if there are any material developments in relation to the above, in accordance with the requirements of the SGX-ST listing rules.

By order of the Board

CORDLIFE GROUP LIMITED

Sharon Lim Siew Choo

Goh Xun Er

Company Secretaries

30 August 2024