

CIRCULAR DATED 30 October 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in Cordlife Group Limited (the "**Company**"), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the Proxy Form to the purchaser or to the transferee, or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



CORDLIFE GROUP LIMITED

(Company Registration Number: 200102883E)
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED APPOINTMENT OF PKF-CAP LLP AS NEW AUDITORS OF THE COMPANY**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 12 November 2024 at 10 a.m.

Date and time of Extraordinary General Meeting : 14 November 2024 at 10 a.m.

Place of Extraordinary General Meeting : 1 Kim Seng Promenade, #15-01, Great World
City East, Singapore 237994

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

"25 April Announcement"	:	The announcement released by the Company on SGXNet on 25 April 2024 titled "Auditors Not Seeking Re-Appointment at Annual General Meeting"
"ACRA"	:	Accounting and Corporate Regulatory Authority of Singapore
"AGM"	:	Annual general meeting of the Company
"Audit and Risk Committee"	:	The audit and risk committee of the Company, comprising Mr Cai, Yong, Mr Yiu Ming Yiu and Dato' Dr Teo Tong Kooi
"Auditors"	:	The auditors of the Company
"Board"	:	The board of Directors of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 30 October 2024 in respect of the Proposed Appointment of New Auditors
"Companies Act"	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"Company"	:	Cordlife Group Limited
"Constitution"	:	The constitution of the Company
"Directors"	:	The directors of the Company for the time being
"Disclaimer of Opinion"	:	The disclaimer of opinion issued by KPMG in its independent auditor's report dated 24 April 2024 in relation to the consolidated financial statements of the Group for the financial year ended 31 December 2023
"EGM"	:	Extraordinary general meeting of the Company
"FY2023 AGM"	:	The AGM for the financial year ended 31 December 2023 held on 14 May 2024
"FY2023 Annual Report"	:	The annual report for the financial year ended 31 December 2023
"FY2023 Audited Financial Statements"	:	The audited consolidated financial statements of the Group for the financial year ended 31 December 2023

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"Group"	: The Company together with its subsidiaries
"Independent Auditor's Report"	: The independent auditor's report dated 24 April 2024 issued by KPMG in relation to the FY2023 Audited Financial Statements
"KPMG"	: KPMG LLP
"Latest Practicable Date"	: 24 October 2024 being the latest practicable date prior to the finalisation of this Circular
"Listing Manual"	: The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
"Notice of EGM"	: The notice of EGM dated 30 October 2024
"PKF"	: PKF-CAP LLP
"Proposed Appointment of New Auditors"	: The proposed appointment of PKF as auditors of the Company
"SFA"	: Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"SGXNet"	: Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Shareholders"	: Registered holders for the time being of the Shares (other than CDP), or in the case of depositors, depositors who have Shares entered against their names in the Depository Register
"Shares"	: Ordinary shares in the share capital of the Company
"%" or "per cent."	: Percentage or per centum

The terms "**depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Part 3AA of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it in the Companies Act or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations contained in this Circular are of such laws and regulations as at the Latest Practicable Date.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

LETTER TO SHAREHOLDERS

CORDLIFE GROUP LIMITED

(Company Registration Number: 200102883E)
(Incorporated in the Republic of Singapore)

Directors:

Dato' Dr Teo Tong Kooi (Chairman and Independent Director)
Mr Zhai Lingyun (Non-Independent Non-Executive Director)
Ms Chen Xiaoling (Group Executive Director)
Mr Yiu Ming Yiu (Non-Independent Non-Executive Director)
Mr Chow Wai Leong (Non-Independent Non-Executive Director)
Mr Cai, Yong (Independent Director)
Dr Xu, Tianhong (Independent Director)

Registered Office:

1 Yishun Industrial Street 1
#06-01/09 A'Posh Bizhub
Singapore 768160

30 October 2024

To: The Shareholders of Cordlife Group Limited

Dear Sir / Madam

THE PROPOSED APPOINTMENT OF PKF-CAP LLP AS NEW AUDITORS OF THE COMPANY

1. INTRODUCTION

- 1.1 **EGM.** We refer to the notice of extraordinary general meeting of the Company dated 30 October 2024 (the "**Notice of EGM**") convening an EGM to be held on 14 November 2024 and Ordinary Resolution 1 in relation to the proposed appointment of PKF-CAP LLP ("**PKF**") as Auditors and to authorise the Directors to fix their remuneration (the "**Proposed Appointment of New Auditors**").
- 1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the Proposed Appointment of New Auditors.
- 1.3 **SGX-ST.** The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.
- 1.4 **Advice to Shareholders.** If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisor immediately.
- 1.5 **Legal Adviser.** WongPartnership LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Appointment of New Auditors.

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2. THE PROPOSED APPOINTMENT OF NEW AUDITORS

2.1 Background and rationale for the Proposed Appointment of New Auditors

The Company's previous auditors, KPMG, were first appointed as the Auditors since the financial year ended 30 June 2018. As announced by the Company in the 25 April Announcement, KPMG had given written notice to the Company of their intention to retire as Auditors and that KPMG would not be seeking re-appointment at the FY2023 AGM.

The Company had on 25 April 2024 also separately issued an announcement stating that KPMG had issued a disclaimer of opinion (the "**Disclaimer of Opinion**") in its independent auditor's report dated 24 April 2024 (the "**Independent Auditor's Report**") in relation to the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 (the "**FY2023 Audited Financial Statements**"). The basis of the Disclaimer of Opinion is contained in the Independent Auditor's Report, which is set out on pages 45 to 47 of the FY2023 Annual Report. A copy of the Independent Auditor's Report (including an extract of Note 2.1 and 36 to the FY2023 Audited Financial Statements which can be found on pages 56 to 57 and pages 112 to 114 of the FY2023 Annual Report) is attached as the Appendix to this Circular.

Notwithstanding the Disclaimer of Opinion, the Company had confirmed in the 25 April Announcement that there were no disagreements with KPMG on accounting treatments within the last 12 months from the date of the 25 April Announcement. The 25 April Announcement also stated that the Disclaimer of Opinion was not raised as a reason for KPMG's decision to retire and not seek re-appointment as auditor of the Company at the FY2023 AGM. The Company had also stated in the 25 April Announcement that it is not aware of any other circumstances connected with KPMG's decision not to seek re-appointment as Auditors at the FY2023 AGM, that should be brought to the attention of Shareholders.

At the FY2023 AGM held on 14 May 2024, KPMG did not seek re-appointment as Auditors and accordingly ceased to be the Auditors following the conclusion of the FY2023 AGM. At the time of KPMG's retirement as Auditors, the partner-in-charge was Ms Shelley Chan Hoi Yi.

The Audit and Risk Committee had considered 11 mid-size and large audit firms in Singapore, in connection with the proposed appointment of new auditors of the Company. Out of these firms, the Company had received only two (2) fee proposals, from PKF and another mid-size audit firm. In evaluating the suitability of PKF for appointment, the Audit and Risk Committee had considered, amongst others, the following:

- (a) the adequacy of the resources of PKF to undertake ongoing audits of the Company, including the composition and experience of the audit team of PKF to be assigned to the audit. Please see paragraph 2.4 below for further information on PKF;
- (b) the experience and track record of incoming audit partner, Mr Lee Eng Kian, including his 29 years in practice, and his various prior experience in auditing issuers listed on

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the SGX-ST. Please see paragraph 2.4 below for further information on Mr Lee Eng Kian; and

- (c) the Audit Quality Indicators ("**AQI**") Disclosure Framework issued by ACRA. The AQIs presented by PKF to the Audit and Risk Committee included information relating to PKF on factors such as the years of audit experience and industry specialisation of PKF and the incoming audit partner, training hours, results of inspections (including both internal and external inspections), quality control across functions, staff oversight and attrition rate. In evaluating the AQIs, the Audit and Risk Committee was satisfied that the AQIs for PKF were generally within the ranges satisfactory to the Audit and Risk Committee, when compared with the industry averages and ranges.

The Proposed Appointment of New Auditors will allow the Group to save approximately 30% in audit fees in comparison to the aggregate audit fees of approximately S\$698,000 incurred by the Group for the financial year ended 31 December 2023. The Company does not expect the reduction in cost to affect the standards and effectiveness of the audit to be undertaken. There will be no change of scope in the audit services provided by PKF as PKF will conduct its audit in accordance with the Singapore Standards on Auditing ("**SSAs**") and the ACRA Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, together with the ethical requirements that are relevant to PKF's audit of the Company's financial statements in Singapore.

The Disclaimer of Opinion will be taken into account as part of PKF's existing audit approach, which is designed to adapt to changes in the business environment, ensuring that all relevant areas are thoroughly audited without compromising the standard and effectiveness of the audit. In accordance with the SSAs, PKF will perform risk identification, assess inherent and control risk, and design appropriate audit procedures to respond to these risks. These steps are carried out during PKF's audit planning phase.

Upon evaluation, the Board, in consultation with the Audit and Risk Committee, is satisfied that PKF will meet the existing needs and audit requirements of the Group and recommends that the Proposed Appointment of New Auditors be put forth to Shareholders for consideration.

PKF has on 9 September 2024 given its written consent to act as the Auditors, subject to the approval of Shareholders at the EGM. The appointment of PKF as Auditors will only be effective upon obtaining the approval of Shareholders at the EGM for the Proposed Appointment of New Auditors. If Shareholders' approval is obtained, PKF will hold office as the Auditors until the conclusion of the next AGM.

2.2 Requirements under Rule 715 of the Listing Manual

For the purposes of Rule 715(1) of the Listing Manual, the Company confirms that PKF will be appointed as the auditors of its Singapore-incorporated subsidiaries and significant associated companies.

For the purposes of Rule 715(2) of the Listing Manual, the Company confirms PKF will also be appointed as the auditors of its significant foreign-incorporated subsidiaries.

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The Company has only one (1) significant foreign-incorporated associated company, Thai Stemlife Co., Ltd., ("**Thai Stemlife**") which is a Thai incorporated company. Thai Stemlife will continue to be audited by its existing auditors, KPMG Phoomchai Audit Ltd. for continuity. Although PKF will not be auditing Thai Stemlife, PKF will conduct the relevant and necessary audit procedures for such associated company given that the financial results of the foreign associated company will be equity accounted for in the consolidated financial statements of the Group for the financial year ending 31 December 2024 as stipulated by the SSAs. PKF has conducted an assessment on the Group's appointment of a different audit firm for its foreign associated company and confirms that such arrangement will not compromise the standard and effectiveness of the audit of the Group.

Taking into consideration the above, the Board and the Audit and Risk Committee are satisfied that the continued appointment of KPMG Thailand as auditors of Thai Stemlife will not compromise the standard and effectiveness of the audit of the Group.

2.3 Requirements under Rule 1203(5) of the Listing Manual

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) the Company has received a copy of KPMG's professional clearance letter dated 29 August 2024 to PKF, confirming that they are not aware of any professional reasons why PKF should not accept the appointment as Auditors;
- (b) the Company confirms that there were no disagreements with KPMG on accounting treatments within the last 12 months from the Latest Practicable Date;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of New Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;
- (d) the specific reasons for the Proposed Appointment of New Auditors are disclosed in paragraph 2.1 of this Circular; and
- (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Listing Manual in relation to the Proposed Appointment of New Auditors.

2.4 Information on PKF, the Audit Engagement Partner and the Engagement Quality Reviewer

The information on PKF, the audit engagement partner and the engagement quality reviewer below was provided to the Company by PKF and their representatives. The Board has not conducted an independent review or verification of the accuracy of the statements and information below.

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Information on PKF

PKF is a firm of Chartered Accountants in Singapore and is registered with ACRA. It is considered a mid-tier accounting firm in Singapore and, together with its affiliated firms, has 11 partners, 33 managers/directors, and more than 100 professional staff servicing a wide array of auditing, accounting, taxation, corporate secretarial and advisory clients in diversified industries such as agriculture, statutory boards, education, trading and distribution, manufacturing, healthcare, shipping, hospitality, fund management, technology, mining and construction, and renewable segments, such as solar energy and metals recycling.

PKF is part of a global family of independent firms bound together by a shared commitment to quality, integrity and the creation of clarity in a complex regulatory environment.

For more information about PKF, please visit its website at <https://www.pkfsingapore.com/>.

PKF has not yet been subject to any Quality Control Review Process pursuant to Part 5A of the Accountants Act 2004 of Singapore which came into operation on 1 July 2023. PKF has also not been subject to any current or past restrictions, disciplinary actions and/or conditions imposed by any regulatory authority or professional body. There have been occasions where PKF and/or its partners have conducted audits for companies that were and/or are the subject of investigations and/or disciplinary action by the regulatory authorities. However, these cases were not directed at PKF itself and were unrelated to the firm's auditing practices.

For the audit on the Group, the audit engagement team will comprise of one (1) audit engagement partner, one (1) engagement quality reviewer, one (1) director, one (1) manager and four (4) audit professionals.

Information on the Audit Engagement Partner

Mr Lee Eng Kian will be the audit engagement partner assigned to the audit of the Group.

Mr Lee Eng Kian is the Managing Partner and Head of Audit and Assurance Division of PKF. He is a practicing member of the Institute of Singapore Chartered Accountants (ISCA), a public accountant registered with ACRA, and an ASEAN Chartered Professional Accountant. Mr Lee Eng Kian has 29 years of experience in providing audit and assurance services to a variety of clients, including issuers listed on the SGX-ST, with prior experience at a managerial level (or above), auditing issuers listed on the SGX-ST and entities in a similar industry and jurisdiction within the past three (3) years. He is also experienced in the review of business and process risks and related controls.

Mr Lee Eng Kian has not been subject to any current or past restrictions, disciplinary actions and/or conditions imposed by any regulatory authority or professional body in Singapore or elsewhere.

The Audit and Risk Committee has also enquired whether Mr Lee Eng Kian has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the Audit and Risk Committee has noted that Mr Lee Eng Kian has passed all the Practice Monitoring Programme

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reviews conducted by ACRA on his previous audit engagements from June to October 2020 and there was no adverse feedback from ACRA on Mr Lee Eng Kian.

Information on the Engagement Quality Reviewer

Mr Sajjad Akhtar will be the incoming engagement quality reviewer. Mr Sajjad Akhtar was formerly a Senior Partner of Arthur Andersen, Singapore and worked with the firm for 27 years. He has extensive attest and consulting experience with clients ranging from large multinationals to small and medium-growing enterprises operating in a diverse range of industries, and has prior experience at a managerial level (or above), auditing issuers listed on the SGX-ST and entities in a similar industry and jurisdiction within the past three (3) years. Several of his small and medium-growing enterprise clients went on to listings through initial public offerings.

At Arthur Andersen, he was a member of its international panel of experts on International Accounting Standards and for several years headed the Professional Standards Group in Singapore. Mr Sajjad Akhtar was also appointed a member of Singapore's Accounting Standards Council (from 2007 to 2009), the statutory body established under the Accounting Standards Act of 2007, which prescribes Accounting Standards for Singapore companies. Mr Sajjad Akhtar served as a board member of ACRA from 2012 to 2018, and during this period, he was a member of the Public Accountants Oversight Committee (PAOC).

Mr Sajjad Akhtar has a total of 49 years of experience in accountancy practice.

Mr Sajjad Akhtar has not been subject to any current or past restrictions, disciplinary actions and/or conditions imposed by any regulatory authority or professional body in Singapore or elsewhere. Mr Sajjad Akhtar has not been subjected to a Practice Monitoring Programme review by ACRA.

2.5 Opinion of the Audit and Risk Committee and Board

The Audit and Risk Committee and the Board, after taking into consideration the suitability of PKF in accordance with the factors set out in paragraphs 2.1 and 2.4 of this Circular, recommends the Proposed Appointment of New Auditors.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Interests of Directors. The Directors do not hold any interests in the Shares, as extracted from the Register of Directors' Shareholding, as at the Latest Practicable Date.

3.2 Interests of Substantial Shareholders. The interests of the Substantial Shareholders of the Company in the Shares, based on information as recorded in the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date are as follows:

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<u>Substantial Shareholders</u>	<u>Direct</u>		<u>Deemed</u>	
	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>
China Stem Cells (East) Company Limited	25,516,666	9.96	—	—
China Stem Cells Holdings Limited	—	—	25,516,666 ⁽²⁾	9.96
China Cord Blood Services Corporation	—	—	25,516,666 ⁽³⁾	9.96
Global Cord Blood Corporation	—	—	25,516,666 ⁽⁴⁾	9.96
Nanjing Xinjiekou Department Store Co., Ltd.	51,870,000	20.24	—	—
Sanpower Group Corporation	—	—	51,870,000 ⁽⁵⁾	20.24
Yuan Yafei	—	—	51,870,000 ⁽⁶⁾	20.24
TransGlobal Real Estate Group Limited	71,460,300	27.88	—	—
Lui Yim Sheung	—	—	71,460,300 ⁽⁷⁾	27.88
Yiu Chi Shing	—	—	71,460,300 ⁽⁷⁾	27.88
Jiaxing Huiling No. 3 Investment Partnership (Limited Partnership)	—	—	15,920,000 ⁽⁸⁾	6.21
Minsheng (Shanghai) Asset Management Co., Ltd.	—	—	15,920,000 ⁽⁹⁾	6.21
China Minsheng Investment Cop., Ltd	—	—	15,920,000 ⁽¹⁰⁾	6.21
Jiaxing Huiling Capital Management Co., Ltd	—	—	15,920,000 ⁽¹¹⁾	6.21
CMI Capital Co., Ltd	—	—	15,920,000 ⁽¹²⁾	6.21
Vcanland Holding Group Company Limited	—	—	18,133,000 ⁽¹³⁾	7.07
Li Defu	—	—	18,133,000 ⁽¹⁴⁾	7.07
Cedar Tree Investment Ltd	—	—	12,800,000 ⁽¹⁵⁾	4.99

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<u>Substantial Shareholders</u>	<u>Direct</u>		<u>Deemed</u>	
	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>
Chen Yi Dan	—	—	12,800,000 ⁽¹⁶⁾	4.99
Matinal Best Limited	25,516,666	9.96	—	—
Kang Lan	—	—	25,516,666 ⁽¹⁷⁾	9.96

Notes:

- (1) As a percentage of the issued share capital of the Company (excluding the 11,217,610 Shares held as treasury shares), comprising 256,307,744 Shares as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.
- (2) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) ("**Form 3**") received by the Company on 6 September 2017, China Stem Cells Holdings Limited ("**CSCHL**") is the sole shareholder of China Stem Cells (East) Company Limited ("**CSCECL**") and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- (3) Based on the Form 3 received by the Company on 6 September 2017, China Cord Blood Services Corporation ("**CCBSC**") is the sole shareholder of CSCHL and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- (4) Based on the Form 3 received by the Company on 6 September 2017, Global Cord Blood Corporation ("**GCBC**") is the sole shareholder of CCBSC and is therefore deemed to be interested in the Shares held by CSCECL by virtue of Section 4 of the SFA.
- (5) Based on the Form 3 received by the Company on 17 August 2024, Sanpower Group Corporation ("**SPC**") holds 27.32% equity interest in Nanjing Xinjiekou Department Store Co., Ltd. ("**NXDSCL**") and is therefore deemed to be interested in the Shares held by NXDSCL by virtue of Section 4 of the SFA.
- (6) Based on the Form 3 received by the Company on 17 August 2024, Yuan Yafei holds 97.5% equity interest in SPC and is therefore deemed to be interested in the Shares held by NXDSCL by virtue of Section 4 of the SFA.
- (7) Based on the Form 3 received by the Company on 10 November 2021, Lui Yim Sheung and Yiu Chi Shing each holds 50% of the voting rights of TransGlobal Real Estate Group Limited ("**TREGL**"). Lui Yim Sheung and Yiu Chi Shing are therefore deemed to be interested in the Shares held by TREGL by virtue of Section 4 of the SFA.
- (8) Based on the Form 3 received by the Company on 16 September 2015 (the "**RPL Form 3**"), Jiaxing Huiling No. 3 Investment Partnership (Limited Partnership) ("**JX No.3**") is the sole shareholder of Shanghai Dunheng Capital Management Co., Ltd ("**SDCMCL**") and is therefore deemed to be interested in the Shares held by Robust Plan Limited ("**RPL**") by virtue of Section 4 of the SFA.

Based on the Form 3 received by the Company on 24 January 2024, RPL has ceased to be a substantial shareholder of the Company, and as SDCMCL is the sole shareholder of RPL, it is therefore deemed to have ceased to be a substantial shareholder of the Company.

- (9) Based on the RPL Form 3, Minsheng (Shanghai) Asset Management Co., Ltd. ("**MSAMCL**") holds 99.95% equity interest in JX No.3 and is therefore deemed to be interested in the Shares held by RPL by virtue of

LETTER TO SHAREHOLDERS

Section 4 of the SFA. Based on the Form 3 received by the Company on 24 January 2024, RPL has ceased to be substantial shareholder of the Company.

- (10) Based on the RPL Form 3, China Minsheng Investment Corp., Ltd ("**CMICL**") is the sole shareholder of MSAMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA. Based on the Form 3 received by the Company on 24 January 2024, RPL has ceased to be a substantial shareholder of the Company.
- (11) Based on the RPL Form 3, Jiaxing Huiling Capital Management Co., Ltd ("**JHCMCL**") holds 0.05% equity interest in JX No.3 and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA. Based on the Form 3 received by the Company on 24 January 2024, RPL has ceased to be a substantial shareholder of the Company.
- (12) Based on the RPL Form 3, CMI Capital Co., Ltd is the sole shareholder of JHCMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA. Based on the Form 3 received by the Company on 24 January 2024, RPL has ceased to be a substantial shareholder of the Company.
- (13) Based on the Form 3 received by the Company on 24 December 2015, Vcanland Holding Group Company Limited ("**VHGCL**") is deemed to be interested in the Shares held by RPL pursuant to the sale and purchase agreement dated 23 December 2015 entered into with JX No.3 and Jiaxing Huiling Investment Management Co., Ltd for the acquisition of all the shares in the capital of SDCMCL. The completion under the sale and purchase agreement is subject to the satisfaction of several conditions precedent. Based on the Form 3 received by the Company on 24 January 2024, RPL has ceased to be substantial shareholder of the Company, and as SDCMCL is the sole shareholder of RPL, it is therefore deemed to have ceased to be a substantial shareholder of the Company.
- (14) Based on the Form 3 received by the Company on 24 December 2015, Li Defu is the shareholder of VHGCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA. Based on the Form 3 received by the Company on 24 January 2024, RPL has ceased to be a substantial shareholder of the Company.
- (15) Based on the Form 3 received by the Company on 18 March 2022, Cedar Tree Investment Ltd ("**CTIL**") is deemed to be interested in the Shares held by Ally Honour Trading (HK) Limited ("**AHTL**") pursuant to a sale and purchase agreement dated 18 March 2022, where Zhao Guanglei sold his 100% equity interest in AHTL to CTIL. Therefore upon completion of the said sale and purchase agreement on the same date, CTIL is deemed to be interested in the 12,800,000 Shares held by AHTL by virtue of Section 4 of the SFA.
- (16) Based on the Form 3 received by the Company on 18 March 2022, Chen Yi Dan is the sole shareholder of CTIL and is therefore deemed to be interested in the Shares held by AHTL by virtue of Section 4 of the SFA.
- (17) Based on the Form 3 received by the Company on 13 August 2024, Kang Lan is the sole shareholder of Matinal Best Limited ("**MBL**") and is therefore deemed to be interested in the Shares held by MBL by virtue of Section 4 of the SFA.

4. DIRECTORS' RECOMMENDATIONS

The Directors, after having considered, *inter alia*, the Audit and Risk Committee's recommendation, are of the opinion that the Proposed Appointment of New Auditors is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 1 relating to the Proposed Appointment of New Auditors as set out in the Notice of EGM.

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5. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 1 Kim Seng Promenade, #15-01, Great World City East, Singapore 237994 on 14 November 2024 at 10 a.m. for the purpose of, among others, considering and, if thought fit, passing with or without any modifications, Ordinary Resolution 1 relating to the Proposed Appointment of New Auditors as set out in the Notice of EGM.

6. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excluded) from the date of this Circular up to and including the date of the EGM:

- (a) the professional clearance letter issued by KPMG to PKF dated 29 August 2024;
- (b) the letter of consent to act as Auditors from PKF dated 9 September 2024; and
- (c) the Constitution.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Appointment of New Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information contained in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

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

Chen Xiaoling
Group Executive Director

APPENDIX

**INDEPENDENT AUDITOR'S REPORT
(INCLUDING AN EXTRACT OF NOTE 2.1 AND 36 TO THE FY2023 AUDITED FINANCIAL
STATEMENTS)**

INDEPENDENT AUDITORS' REPORT

Members of the Company
Cordlife Group Limited

Report on the audit of the financial statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Cordlife Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 48 to 114.

We do not express an opinion on the accompanying consolidated financial statements. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion in respect of the following areas:

1 Compliance with laws and regulations

Ministry of Health ("MOH") investigation

We refer to Note 2.1 which details the potential areas of non-compliance by the Company with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Service) Regulations arising from process lapses observed during MOH's inspections.

Commercial Affairs Department ("CAD") investigation

We refer to Note 36, the Company was informed by several of its directors, a former director and the Chief Financial Officer that they were arrested in connection with the CAD's investigations into an offence under the Securities and Futures Act 2001 of Singapore.

As the MOH and CAD investigations remain ongoing, we are unable to obtain sufficient appropriate audit evidence to ascertain the significance of any adjustments on the Group's financial statements that may arise from these enforcement actions, if any, following the conclusion of the investigations by MOH and CAD.

2 Refunds and claims

We refer to Note 2.1, where the Company has announced in respect of Tank A, it will waive all future annual fees for the storage of the cord blood from 2022 until the child reaches 21, and in cases where clients have made prepayments for the storage fees covering the same period, the Company will initiate a refund. On 8 April 2024, the Company made further announcement in respect of the High Risk Tanks and the ongoing investigation of the Low Risk Tanks. We have not been able to obtain sufficient appropriate audit evidence over the number of affected customers with confirmed damaged cord blood arising from the temperature excursions as at 31 December 2023, therefore the quantification and significance of any adjustments to be recorded in the Group's financial statements from any refunds and/or claims, both constructive and contingent as at 31 December 2023.

INDEPENDENT **AUDITORS' REPORT**

3 Going concern basis of preparation

We refer to Note 2.1 where management has set out the key inputs and assumptions used in applying the going concern basis of preparation. As of the date of our audit report, the business operations in Singapore remain suspended, the investigations by MOH and CAD are all ongoing, the outcome of which are still unknown. There are no alternative audit procedures that can be performed. We are therefore unable to obtain sufficient appropriate audit evidence over certain key inputs and assumptions used in applying the going concern basis of preparation. In particular, these key inputs and assumptions include, management's estimates of the timing of the lifting of the MOH suspension, the timing and amount of revenue to be collected over the relevant periods, the timing and amount of the financial effects of refunds and claims by the affected customers following the conclusion of the investigation over the other tanks and the timing and amount of the financial effects arising from possible fine and penalties following the conclusion of the investigations by MOH and CAD.

The business operations in Singapore is a significant component of the Group operationally and its financial results are material to the overall Group. The unaudited total revenue of the business operations in Singapore for the 6-month period ended 30 June 2023, and total assets as at 30 June 2023 of the business operations in Singapore represented 45% and 41%, respectively, of the Group's results for that same period. In addition, the business operations in Singapore is the largest contributor to the Group's profit before tax. We are unable to obtain sufficient audit evidence over certain key inputs and assumptions used in applying the going concern basis of preparation, including the outcome of the matters highlighted in paragraphs 1 and 2. We are therefore unable to ascertain the extent of any adjustments that may arise from the conclusion of these matters on the continuity of the business operations in Singapore and the financial implication on the Group's financial statements, including the carrying amounts of the property, plant and equipment, intangible assets, contract assets and trade receivables of the business operations in Singapore amounting to \$68,000,000 as at 31 December 2023.

4 Financial support for subsidiaries

Certain subsidiaries of the Group require financial support from the Company. As mentioned in paragraph 3 above, we are unable to obtain sufficient audit evidence over certain key inputs and assumptions used in applying the going concern basis of preparation, we are therefore unable to ascertain if the Company has the ability to provide the continual financial support as required by the subsidiaries, and the consequent adjustments, if any, to the carrying amount of the Company's investments in these subsidiaries of \$23,700,000 and the Group's carrying amount of the non-financial assets relating to these entities of \$23,800,000 as at 31 December 2023.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT **AUDITORS'** REPORT

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditors' report. However, because of the matters described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the *Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on other legal and regulatory requirements

In our opinion, in view of the significance of the matters referred to in the *Basis for disclaimer of opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Shelley Chan Hoi Yi.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

24 April 2024

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 April 2024.

1 Domicile and activities

Cordlife Group Limited (the “Company”) is incorporated in Singapore and has its registered office at 1 Yishun Industrial Street 1, #06-01/09, A’Posh Bizhub, Singapore 768160.

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of the Company are investment holding and the provision of cord blood banking services, which involves the processing and storage of cord blood stem cells. The principal activities of the subsidiaries are disclosed in Note 27 to the financial statements.

The financial statements of the Group comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

2 Basis of preparation

2.1 Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its obligations as and when they fall due within the next twelve months.

On 30 November 2023, the Company received a notice from Ministry of Health (“MOH”) directing the Company to stop, for a period up to six months, the collection, testing, processing and/or storage of any new cord blood and human tissues, or provision for any new types of tests to clients in Singapore (the “Notice”). As stated in the Notice, the Company has 14 days to make representations to MOH in relation to the contents of the Notice. On 13 December 2023, the Company announced that it will not be submitting written representations to MOH on the same. On 15 December 2023, the Company received a letter from MOH stating that MOH has considered the Company’s response to the Notice, and had directed the Company to give effect to the contents of the Notice to stop for a period 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, with effect on and from 15 December 2023 (the “Suspension”). The Suspension is in connection with MOH’s detection that certain cryogenic storage tanks based in Singapore (the “Tanks”) had been exposed to temperatures outside of their normal temperature range, and investigations by MOH are ongoing. Since the end of December 2023, the Company started sending donated cord blood samples from the Tanks under investigation to a third-party laboratory in Singapore licensed by MOH for testing in batches. As previously announced on 30 November 2023, MOH’s expert panel had also determined that the cord blood units (“CBUs”) in a seventh cryogenic storage tank (“Tank A” as referred to in MOH announcement on 30 November 2023) were unlikely to be suitable for stem cell transplant purposes. The Company has offered to refund annual fees received from the start of the temperature excursion and waive subsequent fees for all active clients whose CBUs are stored in this affected tank, as well as continuing to store CBUs for these clients until their child turns 21.

On 8 April 2024, the Company announced that after the initial round of testing of the six cryogenic storage tanks and one dry shipper (the “Testing Update Announcement”), five of the cryogenic storage tanks are at low risk of being adversely affected by temperature excursions (the “Low-Risk Tanks”) and all the CBUs from the Low-Risk Tanks that were tested have shown cell viability and potency. As the current round of testing is a high-level preliminary impact assessment to ascertain the risk of the temperature excursions affecting the CBUs, the Company will be sending over 200 samples, a statistically meaningful number of CBUs from the five Low-Risk Tanks, for testing to provide more assurance in the testing results (“Additional Testing of Low-Risk Tanks”).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2 Basis of preparation (cont'd)

2.1 Going concern basis of accounting (cont'd)

The remaining one cryogenic storage tank ("Tank 6") and the dry shipper have been deemed by MOH's expert panel to be at high risk of being adversely affected by the temperature excursions (the "High-Risk Tanks"). Arising from the test results, as the Company cannot be certain of the viability and potency of every CBU stored in the High-Risk Tanks, the Company will deem that the CBUs in the High-Risk Tanks are at high risk of being adversely affected by temperature excursions and have to be deemed non-viable. Since the CBUs in the High Risk Tanks are deemed impacted, the Company will be offering a refund of annual fees received from the start of the temperature excursion and waiving subsequent fees for all active clients whose CBUs are stored in the High-Risk Tanks, as well as continuing to store CBUs for these clients until their child turns 21 (the "Refund/Waiver for High-Risk Tanks").

While the outcome of the investigations and Additional Testing of Low-Risk Tanks are uncertain, the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2023 is appropriate, taking into account available cash and cash equivalents and fixed deposits, net working capital forecasts based on reasonable possible circumstances, surrounding these key assumptions:

- cash outflow for refunds in respect of Tank A and the High-Risk Tanks;
- the lifting of the Suspension by June 2024;
- the estimated receipt of payments from customers under deferred payment plans for the next twelve months; and
- the receipt of dividends from subsidiaries.

No cash outflow has been considered for the following items as they cannot be determined at present:

- the outcome of the Additional Testing of Low-Risk Tanks and any potential refunds subsequent to the release of the test results; and
- fines and penalties imposed on the Company as a result of the Suspension and MOH investigation as well as any claims from customers.

2.2 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The changes to material accounting policies are described in Note 2.6.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.4 Functional and presentation currency

These financial statements are presented in Singapore dollars ("S\$"), which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

35 Contingent liabilities

Due to uncertainty of the investigations and the outcome of the Additional Testing of Low-Risk Tanks as announced by the Company in the Testing Update Announcement, the Company is at present unable to assess the financial impact of the temperature excursions on the Low-Risk Tanks and/or the investigations on the Company for the financial year ending 31 December 2024.

36 Subsequent events

Investigations by the Commercial Affairs Department

On 22 March 2024, the Company announced that the Company received a notice dated 19 March 2024 (“Notice”) from the Commercial Affairs Department (“CAD”) and the Monetary Authority of Singapore (“MAS”) pursuant to Section 20 of the Criminal Procedure Code 2010 of Singapore, requiring the provision of certain documents and information in connection with investigations by the CAD into an offence under the Securities and Futures Act 2001 of Singapore (the “Investigations”). The offence is in connection with the potential breaches of the disclosure obligations of the Company in relation to the irregular temperatures of a certain cryogenic storage tank of the Company, which was first disclosed by the Company in its announcement dated 30 November 2023.

The Company was also informed by several Directors and former Director that they have attended interviews at the offices of the CAD and have been arrested in connection with the Investigations and released on bail. The directors who are not currently based in Singapore are also required, under a notice to the Company pursuant to Section 21 of the Criminal Procedure Code 2010 of Singapore dated 19 March 2024, to attend at the offices of the CAD for an interview in connection with the Investigations on 2 April 2024.

On 27 March 2024, the Company announced that the Chief Financial Officer has attended interviews at the offices of the CAD and has been arrested in connection with the Investigations and released on bail. The Company also announced on 5 April 2024 that it had received the following updates from the relevant Directors:

- i. Mr Wong had informed the CAD that he was unable to attend his interview due to health reasons, and is uncertain on the next interview date pending the CAD’s agreement;
- ii. Mr Zhai and Ms Chen have obtained the CAD’s agreement to postpone their interviews with the CAD to 21 May 2024; and
- iii. Mr Yiu has attended his interview at the offices of the CAD, and has been arrested in connection with the Investigations and released on bail. The Company understands that the offence is similarly in connection with potential breaches of the disclosure obligations of the Company in relation to the irregular temperatures of a certain cryogenic storage tank of the Company.

Update on Testing Results for Tanks under Investigation

On 8 April 2024, the Company released the Testing Update Announcement after the initial round of testing of the six cryogenic storage tanks and one dry shipper. Further details on the Testing Update Announcement is included in Note 2.1. In relation to the Refund/Waiver for High-Risk Tanks, the Company has estimated that the refund and waiver of annual fees for all affected active clients in the High-Risk Tanks would result in a decrease in revenue and profit before tax of approximately \$9.2 million for the financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 Subsequent events (cont'd)

Lodgement of Police Report

On 17 April 2024, the Board of Directors of the Company, excluding Mr Zhai Lingyun and Ms Chen Xiaoling, had lodged a police report in relation to the suspected involvement of mostly former employees of the Group in potential wrongdoings (the "Police Report") in connection with the exposure of Tank A (as defined in Note 2.1) to temperatures outside of its normal temperature range, which resulted in MOH expert panel determining that the CBUs in Tank A were unlikely to be suitable for stem cell transplant purposes (the "Tank A Incident").

Following the Tank A Incident, the Board of Directors had convened a Committee of Inquiry ("COI"), comprising certain Directors of the Company, to conduct further internal investigations into the Tank A Incident, as part of its efforts to investigate how the Tank A Incident had occurred and to prevent similar occurrences in the future.

The Police Report was lodged as the COI is of the view that it has uncovered preliminary evidence of potential wrongdoings involving mostly former employees of the Group in connection with the Tank A Incident, based on the preliminary findings of internal investigations conducted by an external consultant engaged by the COI (which are still ongoing) and the information available.

Proposed Placement and Interim Injunction in relation to Proposed Placement

On 16 April 2024, the Company entered into two separate subscription agreements (the "Subscription Agreements") with each of the Subscribers (as defined below) pursuant to which two persons, Charming Global Enterprises Limited and Ng Junwei, Darren (the "Subscribers") have agreed to subscribe for an aggregate of up to 51,195,478 new ordinary shares in the capital of the Company ("Subscription Shares" and each a "Subscription Share") at an issue price of \$0.16 for an aggregate cash consideration of \$8,191,276 ("Proposed Subscription").

The Proposed Subscription will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimated expenses of approximately \$150,000) of approximately \$8,041,276 ("Net Proceeds"). The Company intends to utilise the Net Proceeds for working capital purposes, rebuilding of Singapore Brand and as cash reserve for contingency.

Under the Subscription Agreements, the Proposed Subscription is conditional upon, *inter alia*:

- a. the receipt of the listing and quotation notice from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Proposed Subscription) for the dealing in, listing of and quotation for the Subscription Shares on the Mainboard of the SGX-ST;
- b. the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Subscriber;
- c. the trading of the Shares on the Mainboard of the SGX-ST not being suspended by the SGX-ST (other than a suspension on a temporary basis requested by the Company); and
- d. the Shares remaining listed on the Mainboard of the SGX-ST.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 Subsequent events (cont'd)

Proposed Placement and Interim Injunction in relation to Proposed Placement (cont'd)

On 19 April 2024, the Company had been informed by Rajah & Tann Singapore LLP (“Rajah & Tann”), solicitors for Nanjing Xinjiekou Department Store Co., Ltd. (a controlling shareholder¹ of the Company), Zhai Lingyun (Non-Independent Non-Executive Director) (“Mr Zhai”) and Chen Xiaoling (Non-Independent Non-Executive Director) (“Ms Chen”) (collectively, the “Claimants”), that the Claimants have filed an application (the “Application”) before the High Court of Singapore (the “High Court”) against the Company, Dr Ho Choon Hou (Acting Chairman and Non-Independent Non-Executive Director), Yeo Hwee Tiong (Independent Director), Cheong Tuck Yan Titus Jim (Independent Director), Yiu Ming Yiu (Non-Independent Non-Executive Director), Chow Wai Leong (Non-Independent Non-Executive Director) and Ivan Yiu Pang Fai (Group Chief Executive Officer) (collectively, the “Defendants”) for the following orders:

- a. Pursuant to section 409A(1) of the Companies Act 1967 (the “Act”), the Claimants be granted an injunction restraining the Defendants from proposing to engage or engaging in conduct constituting a contravention of section 157 of the Act, including issuing or allotting, and/or assisting to issue or allot any ordinary shares in the Company pursuant to the Subscription Agreements (the “Private Placement”);
- b. Further and/or in the alternative, that pursuant to section 216A of the Act, the Claimants be granted leave to commence proceedings in the name and on behalf of the Company against the Defendants, for breaches of their respective duties to the Company (the “s216A Application”);
- c. In the event the s216A Application is granted, that the Claimants be granted an injunction restraining the Defendants from proposing to engage or engaging in the Private Placement; and
- d. In the event that any proceedings for negligence, default, breach of duty or breach of trust is brought against Mr Zhai and Ms Chen in respect of their capacity as Directors of the Company, the Claimants be granted a declaration that Mr Zhai and Ms Chen have acted honestly and reasonably and ought to be excused for such negligence, default, breach of duty or breach of trust pursuant to section 391 of the Act.

The Company had also been informed by Rajah & Tann on 19 April 2024 that pending the hearing of the Application, the Claimants had filed an application, to seek an interim injunction restraining the Defendants from proposing to engage or engaging in conduct constituting a contravention of section 157 of the Act, including the Private Placement (the “Interim Injunction”). The High Court has granted the Interim Injunction on 19 April 2024.

The Company is currently seeking legal advice in relation to the Application and the Interim Injunction.

¹ As defined under Listing Manual of the SGX-ST.

37 Comparative information

Certain changes have been made to the comparative information in the consolidated statement of cash flows as follows:

	2022 As previously reported \$'000	Effects of reclassification \$'000	2022 Restated \$'000
Cash flows from operating activities			
Changes in:			
Lease liabilities	(1,771)	1,771	—
Cash flows from financing activities			
Payment of lease liabilities	—	(1,619)	(1,619)
Interest paid	—	(152)	(152)

The above changes impact classification of cash flows only. There is no other impact to the Group’s financial statements.