

**CIRCULAR DATED 11 JUNE 2025**

**THIS CIRCULAR (THIS "CIRCULAR") IS ISSUED BY CORDLIFE GROUP LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF NOVUS CORPORATE FINANCE PTE. LTD. (AS THE INDEPENDENT FINANCIAL ADVISER TO THE RECOMMENDING DIRECTORS) TO THE RECOMMENDING DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.**

**If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("CDP"), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**CORDLIFE GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200102883E)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

**VOLUNTARY CONDITIONAL CASH PARTIAL OFFER**

by

**PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200207389D)

for and on behalf of

**MEDEZE TREASURY PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 202115843M)

to acquire 25,630,774 Shares of the issued Shares in the capital of Cordlife Group Limited other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Parties,

which when aggregated with the MT Shares would represent approximately 10.68% of the total number of Shares (excluding treasury shares) as at the Record Date

**Independent Financial Adviser to the Recommending Directors**



**NOVUS CORPORATE FINANCE PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201723484W)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY 5.30 P.M. (SINGAPORE TIME) ON 25 JUNE 2025, BEING THE CLOSING DATE OF THE PARTIAL OFFER, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR**

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## DEFINITIONS

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In this Circular, the following definitions apply throughout except where the context otherwise requires:

<b>“Auditors”</b>	: PKF-CAP LLP, being the auditors of the Company as at the Latest Practicable Date
<b>“Acceptance Forms”</b>	: FAA and/or FAT
<b>“Board”</b>	: The board of Directors of the Company as at the Latest Practicable Date
<b>“Business Day”</b>	: A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Circular”</b>	: This circular to Shareholders dated 11 June 2025 in relation to the Partial Offer, enclosing, among others, the recommendation of the Recommending Directors and the IFA Letter
<b>“Closing Date”</b>	: First Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day and time for the lodgement of acceptances of the Partial Offer
<b>“Code”</b>	: The Singapore Code on Takeovers and Mergers (as amended or modified from time to time)
<b>“Commencement Date”</b>	: 28 May 2025, being the date on which the Offer Document was despatched to Shareholders
<b>“Companies Act”</b>	: The Companies Act 1967 of Singapore (as amended or modified from time to time)
<b>“Company”</b>	: Cordlife Group Limited (Company Registration Number: 200102883E) having its registered office at 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160
<b>“Company Securities”</b>	: (a) Shares; (b) securities which carry voting rights in the Company; or (c) Convertible Securities, Warrants, Options or Derivatives in respect of (a) or (b), in the Company
<b>“Concert Parties”</b>	: Shall have the meaning ascribed to it in paragraph 1.1 of this Circular
<b>“Convertible Securities”</b>	: Securities convertible or exchangeable into new shares or existing shares
<b>“CPF”</b>	: The Central Provident Fund
<b>“CPFIS”</b>	: Central Provident Fund Investment Scheme
<b>“CPFIS Investors”</b>	: Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
<b>“Derivatives”</b>	: Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
<b>“Directors”</b>	: The directors of the Company as at the Latest Practicable Date,

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and each a “**Director**”

<b>“Electronic Acceptance”</b>	:	The SGX-SFG service provided by CDP as listed in the Terms and Conditions for User Services for Depository Agents
<b>“Entitlement Notification Letter”</b>	:	Shall have the meaning ascribed to it in paragraph 2.4 of this Circular
<b>“FAA”</b>	:	Form of Acceptance and Authorisation, applicable to Offer Shareholders whose Shares are deposited with CDP, which forms part of the Offer Document
<b>“FAT”</b>	:	Form of Acceptance and Transfer, applicable to Offer Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP, which forms part of the Offer Document
<b>“First Closing Date”</b>	:	5.30 p.m. (Singapore time) on 25 June 2025
<b>“FY”</b>	:	Financial year ended or ending 31 December, as the case may be
<b>“Global Engineering Services”</b>	:	Global Engineering Services, an independent valuer commissioned by the Company to conduct a valuation of the India Property and issue the India Valuation Report
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“IFA”</b>	:	Novus Corporate Finance Pte. Ltd., the independent financial adviser to the Recommending Directors in respect of the Partial Offer
<b>“IFA Letter”</b>	:	The letter dated 11 June 2025 from the IFA to the Recommending Directors, containing among others, the advice of the IFA to the Recommending Directors in respect of the Partial Offer, set out as <b>Appendix A (IFA Letter)</b> to this Circular
<b>“India Property”</b>	:	The property owned by the Group and located in India, as described in paragraph 10.3 of <b>Appendix B (Additional General Information)</b> to this Circular
<b>“India Valuation Report”</b>	:	The valuation report issued by Global Engineering Services in respect of the India Property in connection with the Partial Offer, set out as <b>Appendix I (India Valuation Report)</b> to this Circular
<b>“Interested Person”</b>	:	<p>As defined in the Note on Rule 24.6 of the Code and read with Rule 23.12 of the Code, an interested person is:</p> <ul style="list-style-type: none"> <li>(a) a director, chief executive officer, or substantial shareholder of the company;</li> <li>(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;</li> <li>(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;</li> </ul>

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	(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
	(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
	any company in which a substantial shareholder (being a company) and any of the companies listed in sub-paragraph (e) above together (directly or indirectly) have an interest of 30% or more
<b>"Latest Practicable Date"</b>	: 4 June 2025, being the latest practicable date prior to the printing of this Circular
<b>"Listing Manual"</b>	: The listing manual of the SGX-ST (as amended or modified from time to time)
<b>"M&amp;AA"</b>	: The memorandum and articles of association of the Company (as amended, modified or restated from time to time)
<b>"Malaysia Properties"</b>	: The properties owned by the Group and located in Malaysia, as described in paragraph 10.2 of <b>Appendix B (Additional General Information)</b> to this Circular
<b>"Malaysia Valuation Certificates"</b>	: The valuation certificates issued by VPC Alliance in respect of the Malaysia Properties in connection with the Partial Offer, set out as <b>Appendix H (Malaysia Valuation Certificates)</b> to this Circular
<b>"MT Shares"</b>	: The 1,750,200 Shares held by the Offeror representing approximately 0.68% of the voting rights in the Company
<b>"Offer Announcement"</b>	: The announcement in connection with the Partial Offer, released by PPCF, for and on behalf of the Offeror, on the Offer Announcement Date
<b>"Offer Announcement Date"</b>	: 13 May 2025, being the date of the Offer Announcement
<b>"Offer Document"</b>	: The offer document dated 28 May 2025 and any other document(s) which may be issued, for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
<b>"Offer Price"</b>	: S\$0.25 in cash for each Offer Share acquired pursuant to the Partial Offer
<b>"Offer Shareholders"</b>	: Shareholders to which the Partial Offer relates, as more particularly defined in Section 2.2 of the Letter to Shareholders in the Offer Document
<b>"Offer Shares"</b>	: The Shares to which the Partial Offer relates, as more particularly defined in Section 2.1 of the Letter to Shareholders in the Offer Document
<b>"Offeror"</b>	: Medeze Treasury Pte. Ltd.

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<b>“Offeror Securities”</b>	: (a) ordinary shares in the Offeror; (b) securities which carry voting rights in the Offeror; or (c) Convertible Securities, Warrants, Options or Derivatives in respect of (a) or (b), in the Offeror
<b>“Options”</b>	: Options to subscribe for or purchase new shares or existing shares
<b>“Overseas Shareholders”</b>	: Offer Shareholders whose addresses are outside Singapore as shown in the register of Shareholders of the Company or, as the case may be, in the records of CDP
<b>“Partial Offer”</b>	: The voluntary conditional cash partial offer made by the Offeror for the Offer Shares on the terms and subject to the conditions set out in the Offer Document and the Acceptance Forms, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
<b>“PPCF”</b>	: PrimePartners Corporate Finance Pte. Ltd., as the financial adviser to the Offeror in respect of the Partial Offer
<b>“PREMAS”</b>	: PREMAS Valuers & Property Consultants Pte Ltd, an independent valuer commissioned by the Company to conduct a valuation of the Singapore Properties and issue the Singapore Valuation Certificate
<b>“Recommending Directors”</b>	: The Directors who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Partial Offer, being all of the Directors
<b>“Record Date”</b>	: 5.00 p.m. (Singapore time) on 11 June 2025, being the 14th day before the First Closing Date, on which the Transfer Books and Register will be closed in order to determine the entitlements of the Offer Shareholders to the Partial Offer
<b>“Register”</b>	: The register of Shareholders, as maintained by the Registrar
<b>“Registrar”</b>	: In.Corp Corporate Services Pte. Ltd.
<b>“Relevant Number”</b>	: Shall have the meaning ascribed to it in Section 1.1 of the Letter to Shareholders in the Offer Document
<b>“Relevant Percentage”</b>	: Shall have the meaning ascribed to it in paragraph 5.1 of Appendix 1 of the Offer Document
<b>“Relevant Percentage Offer Shares”</b>	: Any or all of the Relevant Percentage of Offer Shares held by the Offer Shareholder as at the Record Date (fractional entitlements to be disregarded), assuming that no new Shares are issued or transferred between the Latest Practicable Date and the Record Date
<b>“Relevant Persons”</b>	: Shall have the meaning ascribed to it in Section 14.1 of the Letter to Shareholders in the Offer Document
<b>“Relevant Securities”</b>	: Shall have the meaning ascribed to it in Section 14.1(a) of the Letter to Shareholders in the Offer Document
<b>“RM”</b>	: Malaysia ringgit and sen, respectively, being the lawful currency of

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	Malaysia
<b>“Scale-back”</b>	: Shall have the meaning ascribed to it in Section 7.4 of the Letter to Shareholders in the Offer Document
<b>“Securities Account”</b>	: A securities account maintained by a depositor with CDP, but does not include a securities sub-account
<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore (as amended or modified from time to time)
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“SGXNet”</b>	: Singapore Exchange Network
<b>“Shareholders”</b>	: Holders of Shares as indicated on the Register and depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	: Issued ordinary shares in the capital of the Company
<b>“SIC”</b>	: Securities Industry Council of Singapore
<b>“Singapore Properties”</b>	: The properties owned by the Company and located in Singapore, as described in paragraph 10.1 of <b>Appendix B (Additional General Information)</b> to this Circular
<b>“Singapore Valuation Letter”</b>	: The valuation certificate issued by PREMAS in respect of the Singapore Properties in connection with the Partial Offer, set out as <b>Appendix G (Singapore Valuation Certificate)</b> to this Circular
<b>“SRS”</b>	: The Supplementary Retirement Scheme
<b>“SRS Investors”</b>	: Investors who have purchased Shares pursuant to the SRS
<b>“Statements of Prospects”</b>	: Shall have the meaning ascribed to it in <b>Appendix F (Bases and Assumptions of the Statements of Prospects)</b> to this Circular
<b>“substantial shareholder”</b>	: A person who has an interest in not less than five per cent. (5%) of the total number of issued voting shares
<b>“Transfer Books”</b>	: Internal record of share ownership of the Company, maintained by the Registrar
<b>“VPC Alliance”</b>	: VPC Alliance (KL) Sdn Bhd, an independent valuer commissioned by the Company to conduct a valuation of the Malaysia Properties and issue the Malaysia Valuation Certificates
<b>“Warrants”</b>	: Rights to subscribe for or purchase new shares or existing shares
<b>“S\$” and “cents”</b>	: Singapore dollars and cents, respectively, being the lawful currency of Singapore
<b>“%”</b>	: Percentage or per centum

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## DEFINITIONS

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**Acting in Concert.** Unless otherwise stated, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

**Announcements and Notices.** References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, telex, facsimile, the SGXNet or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

**Appendices.** Unless otherwise stated, reference to any Appendix shall refer to the Appendices of this Circular.

**Depositors, etc.** The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

**Expressions.** Words importing the singular shall, where applicable, include the plural and vice versa and words importing one gender shall include the other and neuter genders. References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

**Rounding.** Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be arithmetic aggregations of the figures that precede them.

**Shareholders.** References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

**Statutes.** Unless otherwise stated, 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 under the Companies Act, the Code, the Listing Manual or the SFA or any modification thereof and used in this Circular shall, where applicable, have the meanings assigned to it under the Companies Act, the Code, the Listing Manual or the SFA or any modification thereof, as the case may be.

**Subsidiary and Related Corporation.** References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Unless otherwise stated, any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, respectively.

**Total Number of Shares and Percentage as at the Latest Practicable Date.** Unless otherwise stated, (a) any reference in this Circular to the total number of issued Shares is a reference to a total of 256,307,744 Shares (excluding 11,217,610 Shares held by the Company as treasury shares) as at the Latest Practicable Date (based on the results of the electronic instant information search on the Company dated the Latest Practicable Date obtained from ACRA); and (b) any reference in this Circular to the shareholding percentage held in the Company is calculated based on 256,307,744 Shares (excluding 11,217,610 Shares held by the Company as treasury shares) and rounded to two (2) decimal places.

**Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and/or the M&AA are set out in this Circular within quotes and in italics.** Unless otherwise stated, capitalised terms used in such reproduced statements of the Offer Document, the IFA Letter and/or the M&AA shall have the meanings ascribed to them in the Offer Document, the IFA Letter and/or the M&AA, respectively.



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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as **“aim”**, **“anticipate”**, **“believe”**, **“estimate”**, **“expect”**, **“forecast”**, **“intend”**, **“plan”**, **“possible”**, **“potential”**, **“probable”**, **“project”**, **“seek”**, **“strategy”** and similar expressions or future or conditional verbs such as **“could”**, **“if”**, **“may”**, **“might”**, **“should”**, **“will”** or **“would”**. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability, any expected growth, any expected industry prospects and trends, planned strategy and future expansion plans, any other matters that are not historical facts, and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders and other investors of the Company should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

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**INDICATIVE TIMETABLE**

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<b>Date of despatch of the Offer Document</b>	: 28 May 2025
<b>Record Date</b>	: 5.00 p.m. (Singapore time) on or about 11 June 2025
<b>Date of despatch of this Circular</b>	: 11 June 2025
<b>Despatch of Entitlement Notification Letters</b>	: On or about 16 June 2025
<b>Closing Date</b>	: 5.30 p.m. (Singapore time) on 25 June 2025 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror)
<b>Settlement of consideration for Offer Shares acquired by the Offeror</b>	: Within seven (7) Business Days after the Closing Date

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## LETTER TO SHAREHOLDERS

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**CORDLIFE GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200102883E)

**Directors:**

Mr Zhai Lingyun (Non-Independent Non-Executive Chairman)  
Ms Chen Xiaoling (Group Executive Director)  
Mr Yiu Ming Yiu (Non-Independent Non-Executive Director)  
Mr Chow Wai Leong (Non-Independent Non-Executive Director)  
Dr Xu Tianhong (Independent Director)  
Mr Gao Xiang (Independent Director)  
Mr Sim Sze Kuan (Independent Director)  
Dr Wang Xiaorui (Independent Director)  
Ms Yuen Wai (Independent Director)

**Registered Office:**

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

11 June 2025

To: **The Shareholders of Cordlife Group Limited**

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL CASH PARTIAL OFFER BY PPCF, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES**

**1. INTRODUCTION**

**1.1. Offer Announcement**

On 13 May 2025, PPCF announced, for and on behalf of the Offeror, that the Offeror intends to make the Partial Offer to acquire the Relevant Number of Shares (other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror in connection with the Partial Offer (the "**Concert Parties**")) which, when aggregated with the MT Shares, would represent 10.68% of the total number of Shares (excluding treasury shares) in the capital of the Company, in accordance with Rule 16 of the Code. On 26 May 2025, a clarification announcement relating to the Offer Announcement was made by PPCF, for and on behalf of the Offeror.

Copies of the Offer Announcement and the clarification announcement are available on the website of the SGX-ST at <https://www.sgx.com/>

**1.2. SIC Approval**

Details on the SIC's grant of consent to the Offeror to the making the Partial Offer have been extracted from Section 1.2 of the Letter to Shareholders in the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

**"1.2 SIC Approval**

*On 2 May 2025, the SIC granted its consent to the making of the Partial Offer in accordance with Rules 16.1 and 16.2 of the Code subject to the following conditions:*

- (a) *arrangements will be made with the SGX-ST prior to the posting of the Offer Document to provide a temporary trading counter to trade odd-lots in the Offeree's Shares after the close of the Partial Offer. The counter will be open for a period of*

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## LETTER TO SHAREHOLDERS

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*not less than one (1) month;*

- (b) the Partial Offer will be made to all Shareholders of the class and arrangements are made for those Shareholders who wish to accept in full for the relevant percentage of their holdings. Shares tendered in excess of this percentage will be accepted by the Offeror from each Shareholder in the same proportion as the number tendered to the extent necessary to enable the Offeror to obtain the total number of Offer Shares for which he has offered. The Offeror will arrange its acceptance procedure to minimise the number of new odd-lot shareholdings;*
- (c) the precise number of Shares, percentage or proportion offered is stated, and the Partial Offer may not be declared unconditional as to acceptances unless acceptances are received for not less than that number, percentage or proportion; and*
- (d) the Offeror and the Concert Parties not acquiring voting rights in the Offeree during the offer period."*

### 1.3. Aggregate Holding

Details on the aggregate shareholding of the Offeror in the Company have been extracted from Section 1.3 of the Letter to Shareholders in the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

#### **"1.3 Aggregate Holding**

*As at the Latest Practicable Date, the Offeror holds 1,750,200 Shares representing approximately 0.68% of the total number of Shares (excluding treasury shares)."*

### 1.4. Offer Document

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Partial Offer. The principal terms and conditions of the Partial Offer are set out in Sections 2, 3 and 4 of the Letter to Shareholders in the Offer Document.

**Shareholders are urged to read the terms and conditions of the Partial Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at <https://www.sgx.com/>.

### 1.5. Independent Financial Adviser

Novus Corporate Finance Pte. Ltd. has been appointed by the Company as the IFA to advise the Recommending Directors for the purposes of making their recommendation to Shareholders in respect of the Partial Offer. The advice of the IFA is set out in the IFA Letter in **Appendix A (IFA Letter)** to this Circular.

### 1.6. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Partial Offer and to set out the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Partial Offer.

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## LETTER TO SHAREHOLDERS

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Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Partial Offer before deciding whether to accept or reject the Partial Offer.

If Shareholders are in any doubt in relation to the Partial Offer, this Circular or as to the action they should take, Shareholders should consult their stockbrokers, bank managers, accountants, solicitors, tax advisers or other professional advisers immediately.

### 1.7. Clarifications to Shareholders

The Directors and senior management of the Company were not privy to the information contained in the Offer Announcement prior to the Offer Announcement being made and the Directors, senior management of the Company and (as far as the Company is aware) the controlling shareholders of the Company have not engaged in discussions with the Offeror regarding the Partial Offer, since the Offer Announcement was made.

The Group does not have any prior commercial, operational, or technical dealings with the Offeror.

## 2. THE PARTIAL OFFER

### 2.1. Terms of the Partial Offer

The Partial Offer is made by the Offeror on the principal terms and conditions set out in Sections 2, 3 and 4 of the Letter to Shareholders in the Offer Document, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

#### **“2. TERMS OF THE PARTIAL OFFER**

##### **2.1. Offer Shares**

*The Partial Offer is made to acquire the Relevant Number of Shares which comprise 25,630,774 Shares, representing approximately 10.00% of the total number of Shares, when aggregated with the MT Shares, would represent 10.68% of the total number of Shares (excluding treasury shares) as at the Record Date.*

*The Partial Offer is extended to all the Shares (excluding treasury shares), other than Shares already owned, controlled or agreed to be acquired by the Offeror Concert Party Group (the “**Offer Shares**”) on or prior to the Record Date.*

*Assuming that there is no change to the total number of Shares (excluding treasury shares) between the Latest Practicable Date and the Record Date, the Relevant Number of Offer Shares to be acquired pursuant to the Partial Offer will be 25,630,774 Shares, representing approximately 10.00% of the total number of Shares (excluding treasury shares).*

##### **2.2 Offer Shareholders**

*The Partial Offer is extended to all Shareholders as at the Record Date, other than the Offeror and the Concert Parties (the “**Offer Shareholders**”).*

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## LETTER TO SHAREHOLDERS

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### 2.3 Offer Price

*The consideration for each Offer Share acquired pursuant to the Partial Offer is:*

<b><i>For each Offer Share: S\$0.25 in cash</i></b>
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### 2.4 No Encumbrances

*The Offer Shares will be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (collectively, the “**Encumbrances**”), and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) which may be declared, paid or made by the Offeree in respect of the Offer Shares (collectively, “**Distributions**”) on or after the Offer Announcement Date.*

### 2.5 Adjustment for Distributions

*Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Offeree on or after the Offer Announcement Date.*

*Accordingly, in the event any Distribution is or has been declared, paid or made by the Offeree in respect of the Offer Shares on or after the Offer Announcement Date to an Offer Shareholder who validly accepts or has validly accepted the Partial Offer, the Offer Price payable to such accepting Offer Shareholders shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Shares tendered in acceptance by such accepting Offer Shareholder pursuant to the Partial Offer falls, as follows:*

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price shall remain unadjusted for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Offeree; or*
- (b) if such settlement date falls after the Books Closure Date, the Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Offeree.*

### 2.6 Awards

*As at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding awards as of 31 December 2023 in respect of the Shares.*

## 3. CONDITIONS TO THE PARTIAL OFFER

*The Partial Offer will be subject to the minimum acceptance condition of the Offeror having received, by the close of the Partial Offer, valid tenders of Shares in acceptance of the Partial Offer in respect of not less than the Relevant Number of Offer Shares, representing 10.00% of the total number of Shares (excluding treasury shares) as at the Record Date.*

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## LETTER TO SHAREHOLDERS

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***The Partial Offer will not become or be capable of being declared unconditional in all respects unless the above condition is satisfied.***

### **4. RECORD DATE**

***The Transfer Books and the Register will be closed at 5.00 p.m. (Singapore time) on the Record Date, 11 June 2025, being the fourteenth (14<sup>th</sup>) day before the First Closing Date, for the purpose of determining the entitlements of the Offer Shareholders to the Partial Offer.***

*Only (i) Shareholders whose Securities Accounts are credited with Offer Shares (in the case of depositors); and (ii) Shareholders who have Offer Shares registered in their names on the Register of Members of the Offeree (in the case of Shareholders who hold Offer Shares in scrip form), in each case, as at the Record Date, will constitute Offer Shareholders for the purposes of the Partial Offer.*

*An Offer Shareholder who is a depositor and wishes to accept the Partial Offer must ensure that there are Offer Shares held in his Securities Account as at the Record Date. An Offer Shareholder who is not a depositor and wishes to accept the Partial Offer must ensure that there are Offer Shares registered in his name on the Register as at the Record Date. **A person who is NOT an Offer Shareholder as at the Record Date will NOT BE ELIGIBLE to participate in the Partial Offer and will NOT be entitled to accept the Partial Offer in respect of any Offer Shares held by him.***

### **2.2. Details of the Partial Offer**

Further information on (a) the duration of the Partial Offer; (b) the settlement of the consideration for the Partial Offer; (c) the requirements relating to the announcement of the level of acceptances of the Partial Offer; (d) the right of withdrawal of acceptances; and (e) the Relevant Percentage Offer Shares and Scale-back, are set out in Appendix 1 to the Offer Document.

### **2.3. First Closing Date**

Shareholders should note that the Partial Offer is open for acceptance by the Offer Shareholders for at least twenty-eight (28) days from the Commencement Date, unless the Partial Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

**Accordingly, the Partial Offer will close at 5.30 p.m. (Singapore time) on 25 June 2025 (being the First Closing Date) or on such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

### **2.4. Procedures for Acceptance**

The procedures for acceptance of the Partial Offer are set out in Appendix 2 to the Offer Document and in the FAA and FAT.

As stated in Appendix 2 to the Offer Document, a letter (the “**Entitlement Notification Letter**”) will be despatched to Offer Shareholders after the Record Date to notify them, *inter alia*, of the number of Shares held in their Securities Account as at Record Date in respect of their Relevant Percentage Offer Shares.

**For the avoidance of doubt, for Offer Shareholders who are unsure about the number of Shares they hold in their Securities Account as at the Record Date and/or there is any change in their shareholdings since the Record Date, they may wait until they receive the Entitlement Notification Letter after the Record Date which will notify them of the Relevant Percentage Offer Shares as at the Record Date, before completing the relevant Acceptance Form.**

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## LETTER TO SHAREHOLDERS

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### 3. INFORMATION ON THE OFFEROR

Section 9 of the Letter to Shareholders in the Offer Document sets out information on the Offeror, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

#### **“9. INFORMATION ON THE OFFEROR**

*The Offeror is a private company limited by shares and incorporated in Singapore on 4 May 2021. The Offeror’s principal activity is that of an investment holding company and providing management consultancy services to healthcare organisations. As at the Latest Practicable Date:*

- (a) the Offeror has an authorised share capital of S\$27,276,831 .83 consisting of one class of ordinary shares of S\$1 .00 each; and*
- (b) the Directors of the Offeror are Ms. Lim Gek Lian, Sharon (Lin Yulian, Sharon) and Mr. Veerapol Khemarangsarn.*

*The Offeror is a wholly-owned subsidiary of Medeze Group PCL which has been listed on the SET since October 2024 with a market capitalisation of approximately S\$305.6 million as at the Latest Practicable Date. The Medeze Group is engaged in the business of analysing, sorting, culturing and storing stem cells and testing the potential of immune cells.*

*The Medeze Group is a leader in the Southeast Asia stem cell services market with more than fourteen (14) years of experience in providing services covering long-term stem cell storage through innovation and modern technology. The Medeze Group operates a laboratory accredited by the Association for the Advancement of Blood and Biotherapies (AABB) in the United States. The laboratory is equipped with modern equipment and technology for the stem cell banking industry, such as AutoXpress and Quantum Machine.*

*The Medeze Group recorded total revenue of THB874.3 million<sup>1</sup> and net profit of THB338.7 million for the financial year ended 31 December 2024, representing growth of 23.6% and 41.4% year-on-year respectively. The Medeze Group’s asset base tripled to over more than THB3.4 billion, following its successful listing on the SET and strategic reinvestment into technology and capacity.*

*The Medeze Group is founded and headed by the incumbent chief executive officer, Dr. Veerapol Khemarangsarn, an experienced obstetrics and gynaecology specialist, who brings deep clinical and commercial expertise. He continues to be personally involved in stem cell procedures, lending the Medeze Group a rare combination of medical and operational leadership. He currently serves as the Director of Training Committee in Bangkok Metropolitan Endoscopic Center (BMEC).*

*For more information of the Medeze Group, please refer to Appendix 3 of this Offer Document or to <https://www.medezegroup.com/th/>.*

*As at the Latest Practicable Date, the Offeror holds a total of 1,750,200 Shares representing approximately 0.68% of the voting rights in the Offeree (the “MT Shares”).”*

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<sup>1</sup> The Medeze Group’s revenue of THB874.3 million for FY2024 relates to revenue from sale and services and does not include its financial income for FY2024. Please refer to Section 4 of Appendix 3 entitled “Financial Information” for more details.



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## LETTER TO SHAREHOLDERS

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### 4. RATIONALE FOR THE PARTIAL OFFER

Section 11 of the Letter to Shareholders in the Offer Document sets out information on the rationale for the Partial Offer, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

#### **“11. RATIONALE FOR THE PARTIAL OFFER**

*The Partial Offer, if successful, will allow the Offeror to increase its direct holdings (including the MT Shares) in the Offeree to approximately 10.68% of the total number of Shares (excluding treasury shares).*

*The Offeror, together with its parent company, Medeze Group PCL – one of the leaders in the field of regenerative stem cell therapy based in Thailand – is seeking to increase its shareholding in the Offeree through the Partial Offer. Upon successful completion of the Partial Offer, the Offeror, together with its parent company, will communicate with and endeavour to explore business opportunities with the Offeree to create long-term value and mutual benefit for both parties.*

#### **11.1 Synergistic Nature**

*The Partial Offer marks the first strategic initiative since Medeze Group PCL’s listing on the SET to broaden its regional footprint. In particular, the Offeror recognises the synergistic nature of the cord blood banking, stem cell and healthcare services business of the Offeree and the Medeze Group. The Offeror believes there are long-term opportunities that could benefit both parties including promotion of services together for market expansion, products/services development, diversification of business in the region and cost and operational synergies by leveraging each other’s expertise.*

*If a collaboration eventuates, the Medeze Group and the Offeree could explore opportunities to provide services to each other’s customers which would help to strengthen the market position and network of the Medeze Group and the Offeree. As an example and for illustrative purposes only, the Medeze Group could (where permissible), offer services like analysing and storing natural killer cell and hair follicle banking services to the Offeree’s customers. The Offeree (where permissible) could on the other hand offer its chromosomal and genetic analysis and screening services to the Medeze Group’s customers. This collaboration can further support the growth of both the Medeze Group and the Offeree at the international level.*

#### **11.2 Commitment by the Offeror**

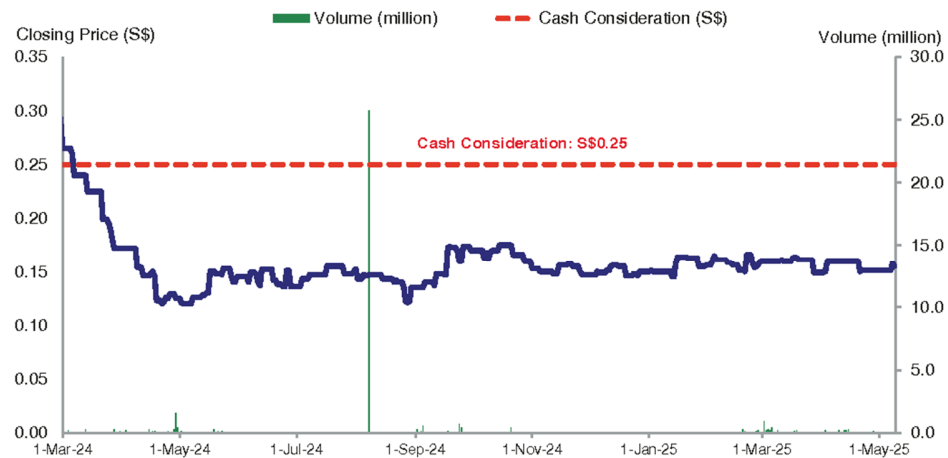
*The Offeror wishes to demonstrate its commitment to contribute positively to the Offeree as a long-term substantial Shareholder. By acquiring a meaningful stake, the Offeror aims to collaborate with existing controlling Shareholders and management by engaging in constructive dialogue and partnerships to align on strategic priorities, governance, and operational enhancements that will benefit the Offeree’s long-term success. Such strategic cooperation and long-term commitment between the companies could provide a competitive edge over global competitors.*

#### **11.3 Low Trading Liquidity and Trading Price**

*The Offeror observed that the Shares of Offeree has been thinly traded in recent years whereby the average daily trading volume for the last twelve (12) months was approximately 210,958 Shares. As such, by making the Partial Offer, it would be expedient for the Offeror to build up a meaningful stake of Shares in a single corporate action. In addition, the trading price of the Offeree has declined significantly in the twelve*

## LETTER TO SHAREHOLDERS

(12) to fifteen (15) months preceding the Last Trading Date.



Source: Bloomberg L.P.

Consequently, the Offeror believes the Partial Offer provides Offer Shareholders with the opportunity to realise part or potentially all of their investment through an attractive cash premium of 61.3% to the closing price of S\$0.155 per Share on 9 May 2025, being the Last Trading Date prior to the Offer Announcement Date. Please refer to Section 13 of this Offer Document for the premium of the Offer Price to the historical VWAP of the Offeree.”

### 5. THE OFFEROR’S INTENTIONS REGARDING LISTING STATUS AND COMPULSORY ACQUISITION

Section 12 of the Letter to Shareholders in the Offer Document sets out information on the Offeror’s intentions in relation to the listing status and compulsory acquisition of the Company, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

#### **“12. CONTINUED LISTING AND NO COMPULSORY ACQUISITION**

##### **12.1 Listing Status**

*Under Rule 1105 of the Listing Manual, where a take-over offer is made for the securities of a company, upon the announcement by the Offeror that acceptances have been received that bring the holdings owned by the Offeror Concert Party Group to above 90.00% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of such securities until such time when the SGX-ST is satisfied that at least 10.00% of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that where the Offeror succeeds in garnering acceptances exceeding 90.00% of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10.00%, the SGX-ST will suspend the trading of the Shares at the close of the Partial Offer.*

*In addition, under Rule 724(1) of the Listing Manual, if the percentage of the Shares held in public hands falls below 10.00%, the Offeree must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing*

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## LETTER TO SHAREHOLDERS

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*Manual states that the SGX-ST may allow the Offeree a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10.00%, failing which the Offeree may be removed from the official list of SGX-ST.*

*As the Partial Offer is made for the Offer Shares, which, if successful, will result in the Offeror and the Concert Parties holding approximately 10.68% of the total number of Shares (excluding treasury shares) as at the Closing Date, the Offeror Concert Party Group will not, as a result of the Partial Offer, own, control or acquire more than 90.00% of the Shares. Accordingly, Rules 1105, 1301(1) and 724(1) of the Listing Manual will not be invoked solely as a result of the Partial Offer.*

***The Offeror currently intends to maintain the listing status of the Offeree.***

### **12.2 No Compulsory Acquisition**

*Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Partial Offer in respect of not less than 90.00% of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Partial Offer and excluding treasury shares), the Offeror will have the right to compulsorily acquire at the Offer Price, all the Shares of the Shareholders who have not accepted the Partial Offer.*

*Similarly, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with Shares held by it, comprise not less than 90.00% of the Shares, Shareholders who have not accepted the Partial Offer will have the right to require the Offeror to acquire Shares at the Offer Price.*

*As the Partial Offer, if successful, will, result in the Offeror having a direct holding in 10.68% of the Shares (excluding treasury shares), the Offeror will not, as a result of the Partial Offer, acquire 90.00% or more of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees). Accordingly, the aforesaid rights of compulsory acquisition will not arise as a result of the Partial Offer."*

## **6. FINANCIAL EVALUATION OF THE PARTIAL OFFER**

Section 13 of the Letter to Shareholders in the Offer Document sets out information on the financial evaluation of the Offer, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

### **"13. FINANCIAL EVALUATION OF THE PARTIAL OFFER**

*Under the Partial Offer, Offer Shareholders will have the opportunity to realise part or potentially all of their investment in the Shares for cash at the premium of approximately 61.3% over the last traded price of S\$0.155 per Share on 9 May 2025, being the Last Trading Date.*

*The Offer Price implies the following premia over the historical trading prices of the Shares:*

## LETTER TO SHAREHOLDERS

<b>Description</b>	<b>Benchmark Price<sup>(1)</sup> (S\$)</b>	<b>Premium over Benchmark Price<sup>(2)</sup> (%)<sup>(3)</sup></b>
<i>Last traded price per Share as quoted on the SGX-ST on the Last Trading Date (being 9 May 2025)</i>	0.155	61.3
<i>VWAP for the one-month period prior to and including the Last Trading Date ("1-Month VWAP")</i>	0.155	61.3
<i>VWAP for the three-month period prior to and including the Last Trading Date ("3-Month VWAP")</i>	0.156	60.3
<i>VWAP for the six-month period prior to and including the Last Trading Date ("6-Month VWAP")</i>	0.157	59.2
<i>VWAP for the 12-month period prior to and including the Last Trading Date ("12-Month VWAP")</i>	0.155	61.3
<i>VWAP for the 15-month period prior to and including the Last Trading Date ("15-Month VWAP")</i>	0.156	60.3
<i>52-week high traded price of the Share</i>	0.175	42.9



Source: Bloomberg L.P.

**Notes:**

(1) Based on data extracted from Bloomberg L.P..

(2) Computed based on the benchmark prices which were rounded to the nearest three (3) decimal places.

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## LETTER TO SHAREHOLDERS

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*(3) For the purposes of the table above, all percentage figures are rounded to the nearest one (1) decimal place.”*

### 7. CONFIRMATION OF FINANCIAL RESOURCES

Section 16 of the Letter to Shareholders in the Offer Document sets out the full text of the confirmation of financial resources by PPCF, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document,

**“16. CONFIRMATION OF FINANCIAL RESOURCES**

*PPCF, as the financial adviser to the Offeror in connection with the Partial Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Partial Offer by the Offer Shareholders at the Offer Price.”*

### 8. IRREVOCABLE COMMITMENTS

Section 14.2(b) of the Letter to Shareholders in the Offer Document states that as at 14 May 2025, based on the latest information available to the Offeror and save as disclosed in the Offer Document, none of the Relevant Persons has received any irrevocable commitment to accept the Partial Offer in respect of any Relevant Securities.

### 9. TEMPORARY TRADING COUNTER FOR TRADING OF ODD-LOT

Details of the temporary trading counter for trading of odd-lots, in connection with the Partial Offer, is set out in Section 15 of the Letter to Shareholders in the Offer Document.

### 10. DIRECTORS' INTERESTS

Details of the Directors including, among others, the Directors' direct and deemed interests in Company Securities and Offeror Securities as at the Latest Practicable Date are set out in **Appendix B (Additional General Information)** to this Circular.

### 11. ADVICE AND RECOMMENDATION IN RELATION TO THE PARTIAL OFFER

#### 11.1. Appointment of Independent Financial Adviser

Novus Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser to the Recommending Directors in respect of the Partial Offer.

Shareholders should read the IFA Letter in its entirety and consider carefully the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in relation to the Partial Offer in their entirety before deciding whether to accept or reject the Partial Offer.

The IFA Letter setting out the advice of the IFA to the Recommending Directors in relation to the Partial Offer is set out as **Appendix A (IFA Letter)** to this Circular.

#### 11.2. Independence of Directors

All of the Directors consider themselves independent for the purposes of making a recommendation to Shareholders in respect of the Partial Offer.

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## LETTER TO SHAREHOLDERS

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### 11.3. IFA's Advice to the Recommending Directors on the Partial Offer

An extract of the advice of the IFA to the Recommending Directors in relation to the Partial Offer has been extracted from the IFA Letter and is reproduced in italics below. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the meanings ascribed to them in the IFA Letter.

#### **"7. OPINION AND ADVICE**

##### **7.1 Our Opinion**

*In arriving at our opinion on the financial terms of the Partial Offer, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:*

- (a) the historical financial performance of the Group, namely, that (i) the Group's revenue increased by approximately S\$0.6 million from approximately S\$55.2 million in FY2022 to approximately S\$55.7 million in FY2023 and subsequently, decreased to approximately S\$27.6 million in FY2024, and (ii) the Group's net profit attributable to owners of the Company decreased from approximately S\$4.9 million in FY2022 to approximately S\$3.5 million in FY2023 and the Group recorded a net loss of approximately S\$18.9 million in FY2024;*
- (b) PKF-CAP had issued the FY2024 Disclaimer of Opinion and emphasis of matters in the independent auditors' report for FY2024. Notwithstanding, the Company believes that the use of the going concern assumption in the preparation of the financial statements for FY2024 is appropriate;*
- (c) the Offer Price represents:*
  - (i) a discount of approximately 22.4% and 22.8% to the VWAP of the Shares for the 3-year and 2-year periods prior to and including the Last Trading Day respectively;*
  - (ii) a significant premium of approximately 61.3%, 59.2%, 59.2%, 63.4% over the VWAP of the Shares for the one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively;*
  - (iii) a significant premium of approximately 61.3% over the closing price of the Shares of S\$0.155 on the Last Trading Day;*
  - (iv) a marginal discount of approximately 2.0% to the VWAP of the Shares of S\$0.255 during the period after the Last Trading Day and up to the Latest Practicable Date; and*
  - (v) a discount of approximately 7.4% to the closing price of the Shares of \$0.270 on the Latest Practicable Date;*
- (d) during the 3-year period prior to and including the Last Trading Day and up to the Latest Practicable Date, the Shares had (i) generally underperformed the FTSTAS Index, save for the period between June 2023 to November 2023, and (ii) the closing prices of the Shares had significantly increased by approximately 74.2% while the FTSTAS Index had increased marginally by approximately 0.6% between the Last Trading Day and the Latest Practicable Date;*

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## LETTER TO SHAREHOLDERS

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- (e) *the Offer Price represents a significant discount of approximately (i) 45.8% to the NAV per Share of S\$0.461 as at 31 December 2024 and would value the Group at a P/NAV ratio of 0.54 times, and (ii) 27.5% to the NTA Per Share of S\$0.345 as at 31 December 2024 and would value the Group at a P/NTA ratio of 0.72 times;*
- (f) *the Offer Price represents a significant discount of approximately (i) 47.7% to the RNAV per Share of S\$0.478, and would value the Group at a P/RNAV of 0.52 times, and (ii) 30.7% to the RNTA per Share of S\$0.361 and would value the Group at a P/RNTA ratio of 0.69 times;*
- (g) *the Net Cash per Share of S\$0.253 is slightly above the Offer Price of S\$0.250;*
- (h) *the P/NAV multiple of the Shares as implied by the Offer Price of 0.54 times is (i) approximately the same as the average historical trailing P/NAV multiple of the Shares for the 3-year period prior to and including the Last Trading Day, and is above the average historical trailing P/NAV multiples of the Shares for the 2-year, one-year, 6-month, 3-month and one-month periods up to and including the Last Trading Day of 0.50 times, 0.31 times, 0.33 times, 0.34 times and 0.33 times respectively, and (ii) slightly below the average historical trailing P/NAV of the Shares of 0.55 times for the period after the Last Trading and up to the Latest Practicable Date;*
- (i) *the P/NTA multiple of the Shares as implied by the Offer Price of 0.72 times is (i) higher than the average historical trailing P/NTA multiples of the Shares for the 3-year, 2-year, one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day of 0.70 times, 0.64 times, 0.41 times, 0.43 times, 0.45 times and 0.45 times respectively, and (ii) slightly below the average historical trailing P/NTA of the Shares of 0.73 times for the period after the Last Trading Day and up to the Latest Practicable Date;*
- (j) *in respect of the Comparable Companies:*
  - (i) *the Group had recorded a net loss attributable to equity holders of the Company and a negative EBITDA for FY2024, hence the P/E ratio (as implied by the Offer Price) and the EV/EBITDA ratio (as implied by the Offer Price) of the Company are not applicable;*
  - (ii) *the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) below the range of P/NAV ratios of the Comparable Companies of between 1.09 times and 4.24 times, and (bb) below the mean and median P/NAV ratios of the Comparable Companies of 2.36 times and 2.39 times respectively; and*
  - (iii) *the P/RNAV ratio of the Company of 0.52 times (as implied by the Offer Price) is (aa) below the range of P/NAV ratios of the Comparable Companies between 1.09 times and 4.24 times, and (bb) below the mean and median P/NAV ratios of the Comparable Companies of 2.36 times and 2.39 times respectively;*
- (k) *in respect of the Precedent POs:*
  - (i) *the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (aa) significantly above the range of premia of the Precedent POs of between 5.9% and 23.7%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 13.6% and 11.1% respectively;*

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## LETTER TO SHAREHOLDERS

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- (ii) *the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (aa) above the range of premia of the Precedent POs of between 9.3% and 24.4%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 16.9% and 17.1% respectively;*
- (iii) *the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (aa) significantly above the range of premia of the Precedent POs of between 9.8% and 18.1%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 15.0% and 17.1% respectively;*
- (iv) *the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (aa) significantly above the range of premia of the Precedent POs of between 18.0% and 18.7%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 18.2% and 18.0% respectively;*
- (v) *the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent POs of between 0.50 times and 2.05 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratio of the Precedent POs of 1.23 times and 1.13 times respectively; and*
- (vi) *the P/RNAV ratio of the Company of 0.52 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent POs of between 0.50 times and 2.05 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratio of the Precedent POs of 1.23 times and 1.13 times respectively;*
- (I) *in respect of the Precedent Non-Privatisations:*
  - (i) *the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (aa) within the range of the Precedent Non-Privatisations of between a discount of 98.9% and a premium of 75.4%, and (bb) significantly above the corresponding mean premium of 2.1% and median of 0.0% of the Precedent Non-Privatisations;*
  - (ii) *the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Precedent Non-Privatisations of between a discount of 98.9% and a premium of 77.5%, and (bb) significantly above the corresponding mean premium of 2.0% and median of 0.0% of the Precedent Non-Privatisations;*
  - (iii) *the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Precedent Non-Privatisations of between a discount of 99.3% and a premium of 77.3%, and (bb) significantly above the corresponding mean premium of 1.8% and median of 0.0% of the Precedent Non-Privatisations;*
  - (iv) *the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day*



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## LETTER TO SHAREHOLDERS

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- is (aa) within the range of the Precedent Non-Privatisations of between a discount of 99.3% and a premium of 71.0%, and (bb) significantly above the corresponding mean and median premium of the Precedent Non-Privatisations of 3.4% and 1.1% respectively;*
- (v) *the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of between 0.13 times and 5.98 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of 0.82 times and 0.73 times respectively; and*
- (vi) *the P/RNAV of the Company of 0.52 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent Non Privatisations of between 0.13 times and 5.98 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of 0.82 times and 0.73 times respectively.*
- (m) *in respect of the Accepted Precedent Non-Privatisations:*
- (i) *the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 37.7% and a premium of 75.4%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 20.4% and 21.2% respectively;*
- (ii) *the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 36.3% and a premium of 77.5%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 22.9% and 14.3% respectively;*
- (iii) *the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 40.1% and a premium of 77.3%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 24.7% and 18.4% respectively;*
- (iv) *the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 41.1% and a premium of 71.0%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 26.5% and 30.9% respectively;*
- (v) *the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) below the range of offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of between 0.62 times and 5.98 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of 1.21 times and 1.12 times respectively; and*
- (vi) *the P/RNAV of the Company of 0.52 times (as implied by the Offer Price) is (aa) below the range of offer price-to-NAV/NTA ratios of the Accepted*

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## LETTER TO SHAREHOLDERS

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*Precedent Non Privatisations of between 0.62 times and 5.98 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of 1.21 times and 1.12 times respectively.*

- (n) *the Offer Price is below the Estimated Theoretical Valuation Range of between S\$0.478 and S\$0.588 per Share;*
- (o) *the Company will remain listed on the SGX-ST after the close of the Partial Offer;*
- (p) *the Partial Offer will not result in the Offeror acquiring 90.00% or more of the Shares, and therefore, the right to exercise compulsory acquisition under Section 215(1) of the Companies Act will not apply;*
- (q) *the business outlook of the Group as set out in paragraph 6.9.3 of this Letter;*
- (r) *in relation to the terminated Proposed Placement, (i) the Offer Price represents a significant premium of 56.3% over the Issue Price, and (ii) the Issue Price is at a significant discount to the 2023 NAV of approximately 69.7%, which is higher than the discount of the Offer Price to the NAV of the Group as at 31 December 2024 of approximately 45.8%;*
- (s) *as at the Latest Practicable Date, apart from the Partial Offer being made by the Offeror, no other third party has made a firm offer for the Company;*
- (t) *the Offeror's intentions of the Group as set out in paragraph 6.9.6 of this Letter; and*
- (u) *that save for in 2016, the Company had been declaring dividends since 2012 to 2022, and such dividend was last paid in May 2022 in respect of FY2021. Notwithstanding, the Company does not have a dividend payment policy and the declaration of such dividends are subject to, among others, the Company's expansion plans, existing projects and cash flow projections.*

*Having considered the aforementioned points including the various factors set out in this Letter and summarised in this section, we are of the opinion that as at the Latest Practicable Date, on balance, the financial terms of the Partial Offer are **not fair and not reasonable**.*

*In determining that the Partial Offer is **not fair**, we have considered the following pertinent factors:*

- (i) *notwithstanding that the Offer Price represents (aa) a significant premium over the closing price of the Shares on the Last Trading Day and (bb) a significant premium over the VWAP of the Shares for the one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively, the Offer Price represents a discount to the VWAP of the Shares for the 3-year and 2-year periods prior to and including the Last Trading Day respectively;*
- (ii) *the Offer Price represents (aa) a discount to the VWAP of the Shares for the period after the Last Trading Day and up to the Latest Practicable Date, and (bb) a discount to the closing price of the Shares as at the Latest Practicable Date;*
- (iii) *the Offer Price represents a discount to the NAV, NTA, RNAV and RNTA per Share as at 31 December 2024;*
- (iv) *the Net Cash per Share as at 31 December 2024 is slightly higher than the Offer Price; and*

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## LETTER TO SHAREHOLDERS

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- (v) *the Offer Price is below the Estimated Theoretical Valuation Range.*

*In determining that the Partial Offer is **not reasonable**, we have considered the following pertinent factors:*

- (i) in respect of the Comparable Companies, the P/NAV ratio of the Company (as implied by the Offer Price) is below the mean and median P/NAV ratios of the Comparable Companies;*
- (ii) in respect of the Precedent POs, notwithstanding that the premia of the Offer Price over the last transacted price of the Shares on the Last Trading Day and the one-month, 3-month and 6-month VWAP of the Shares for the period up to and including the Last Trading Day are significantly above the corresponding mean and median premia of the Precedent POs, the P/NAV and P/RNAV ratios of the Company (as implied by the Offer Price) are below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent POs;*
- (iii) in respect of the Precedent Non-Privatisations, notwithstanding that the premia of the Offer Price over the last transacted price of the Shares on the Last Trading Day and the one-month, 3-month and 6-month VWAP of the Shares for the period up to and including the Last Trading Day are significantly above the corresponding mean and median premium of the Precedent Non-Privatisations, the P/NAV and P/RNAV ratios of the Company (as implied by the Offer Price) are below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations; and*
- (iv) in respect of the Accepted Precedent Non-Privatisations, notwithstanding that the premia of the Offer Price over the last transacted price of the Shares on the Last Trading Day and the one-month, 3-month and 6-month VWAP of the Shares for the period up to and including the Last Trading Day are significantly above the corresponding mean and median premia of the Accepted Precedent Non-Privatisations, the P/NAV and P/RNAV ratios of the Company (as implied by the Offer Price) are below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations.*

### **7.2 Our Advice**

*Accordingly, we advise the Recommending Directors to recommend that Shareholders **reject** the Partial Offer.*

*The Recommending Directors should note that transactions of the Shares are subject to possible market fluctuations and accordingly, our opinion and advice on the Partial Offer do not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.*

*This Letter is addressed to the Recommending Directors for their benefit, in connection with and for the purposes of their consideration of the financial terms of the Partial Offer. The recommendation made by them to the Shareholders in relation to the Partial Offer shall remain the sole responsibility of the Recommending Directors.*

*Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case, except for the purposes of the Partial Offer. Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore and are strictly limited to the matters stated herein and do not apply by implication to any other matter."*

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## LETTER TO SHAREHOLDERS

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Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Recommending Directors in conjunction with, and in the context of, the full text of the IFA Letter.

### 11.4. Recommendation of the Recommending Directors

The Recommending Directors have reviewed and considered carefully the terms of the Partial Offer and the advice given by the IFA in the IFA Letter. The Recommending Directors concur with the IFA's assessment of the Partial Offer and its advice and recommendation thereto, as extracted from the IFA Letter and reproduced in paragraph 11.3 above. Accordingly, the Recommending Directors recommend that the Shareholders **REJECT** the Partial Offer.

In making their recommendations, the Recommending Directors have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder may have different investment objectives and profiles, the Recommending Directors would advise that any individual Shareholder who may require specific advice in relation to his/her/its investment objectives or portfolio should consult his/her/its stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

Shareholders are advised to read the terms and conditions of the Offer Document and the IFA Letter set out in Appendix A (IFA Letter) to this Circular carefully before deciding whether to accept or reject the Partial Offer. Shareholders should note that the IFA's advice to the Recommending Directors in relation to the Partial Offer should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Partial Offer.

## 12. OVERSEAS SHAREHOLDERS

Section 17 of the Letter to Shareholders in the Offer Document sets out information relating to Overseas Shareholders, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

### ***"17. OVERSEAS SHAREHOLDERS***

#### ***17.1 Overseas Shareholders***

*This Offer Document, the Acceptance Forms and/or any related documents do not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any approval, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the Acceptance Forms and/or any related documents, in each case in any jurisdiction in contravention of applicable law. The Partial Offer is not being made into any jurisdiction in which the making or acceptance of the Partial Offer would not be in compliance with the laws of such jurisdiction.*

*Where there are potential restrictions on sending this Offer Document (including the Acceptance Forms and/or any related documents) to any overseas jurisdictions, requirements imposed by the relevant regulatory body or stock exchange in such overseas jurisdictions or where it may not be expedient to do so, the Offeror and PPCF each reserves the right not to send this Offer Document, the Acceptance Forms and/or any related documents to such overseas jurisdictions. The availability of the Partial Offer to Offer Shareholders whose addresses are outside Singapore as shown in the register of Shareholders of the Offeree or, as the case may be, in the records of CDP (collectively, "Overseas Shareholders") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.*

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## LETTER TO SHAREHOLDERS

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***For the avoidance of doubt, the Partial Offer will be open to all Offer Shareholders, including those to whom this Offer Document (including the Acceptance Forms and/or any related documents) have not been, or will not be, sent.***

### **17.2 Copies of Offer Document**

An Overseas Shareholder may, nonetheless, obtain copies of the Acceptance Forms and/or any related documents, during normal business hours and up to the Closing Date, from the Offeror through: (i) if he is a depositor, its receiving agent, CDP, by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services ([asksgx@sgx.com](mailto:asksgx@sgx.com)) for the Acceptance Form and/or any related documents to be sent to an address in Singapore by ordinary post at the relevant Overseas Shareholder's own risk, or (ii) if he is a scripholder, the Receiving Agent, In.Corp Corporate Services Pte. Ltd. in person at its office located at 36 Robinson Road, #20-01 City House, Singapore 068877.

Electronic copies of this Offer Document and the Acceptance Forms are also available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

### **17.3 Overseas Jurisdiction**

It is the responsibility of any Overseas Shareholder who wishes (i) to request for this Offer Document (including the Acceptance Forms) and/or any related documents; and/or (ii) to accept the Partial Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for the payment of any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including PPCF, CDP and the Registrar/Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Partial Offer.

In (i) requesting for this Offer Document (including the Acceptance Forms) and/or any related documents; and/or (ii) accepting the Partial Offer, the Overseas Shareholder represents and warrants to the Offeror, PPCF, CDP and the Registrar/Receiving Agent that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

### **17.4 Notice**

The Offeror and PPCF each reserves the right to notify any matter, including the fact that the Partial Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement."

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## LETTER TO SHAREHOLDERS

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### 13. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Section 18 of the Offer Document sets out information relating to CPFIS Shareholders and SRS Investors, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

**“18. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS**

*CPFIS Investors and SRS Investors should receive further information on how to accept the Partial Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be) directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may be) should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.*

*CPFIS Investors and SRS Investors who wish to accept the Partial Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks (as the case may be) by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). Subject to the Partial Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Partial Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts (as the case may be).”*

### 14. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 14.1. Acceptance of the Partial Offer

Offer Shareholders who wish to accept the Partial Offer in respect of all or any of their Offer Shares held by them as at the Record Date should do so by completing the relevant Acceptance Form in accordance with the relevant procedures set out in Section 7.1 of the Letter to Shareholders in the Offer Document, Appendix 2 to the Offer Document and the instructions printed on the relevant Acceptance Form and delivering the completed and signed relevant (i) FAA to Medeze Treasury Pte. Ltd. c/o The Central Depository (Pte) Limited, Privy Box No. 920764 Singapore 929292 by post or via Electronic Acceptance; or (ii) FAT to Medeze Treasury Pte. Ltd. c/o In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 (as the case may be) in each case to arrive **not later than 5.30 p.m. (Singapore time) on the Closing Date**.

Offer Shareholders who do not wish to accept the Partial Offer need not take any further action in respect of the Offer Document and the Acceptance Form which have been sent to them.

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein (other than the IFA Letter, the letter from the IFA in relation to the Statements of Prospects, the letter from the Auditors in relation to the Statements of Prospects, the Singapore Valuation Certificate, the Malaysia Valuation Certificates and the India Valuation Report) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular (other than the IFA Letter, the letter from the IFA in relation to the Statements of Prospects, the letter from the Auditors in relation to the Statements of Prospects, the Singapore Valuation Certificate, the Malaysia Valuation Certificates and the India Valuation Report) misleading. The Directors jointly and severally accept full responsibility accordingly.

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## LETTER TO SHAREHOLDERS

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In respect of the IFA Letter, the letter from the IFA in relation to the Statements of Prospects, the letter from the Auditors in relation to the Statements of Prospects, the Singapore Valuation Certificate, the Malaysia Valuation Certificates and the India Valuation Report, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement and the Offer Document), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

### 16. ADDITIONAL GENERAL INFORMATION

Additional general information is provided in **Appendix B (Additional General Information)** to this Circular.

The attention of Shareholders is also drawn to the additional information set out in the other Appendices which form part of this Circular.

Yours faithfully

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

Chen Xiaoling  
Group Executive Director  
11 June 2025

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## APPENDIX A – IFA LETTER

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# NOVUS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201723484W)

7 Temasek Boulevard  
#04-02 Suntec Tower 1  
Singapore 038987

11 June 2025

To: The Recommending Directors of Cordlife Group Limited (the “**Company**”)  
(in respect of the Partial Offer (as defined below))

Mr. Zhai Lingyun  
Ms. Chen Xiaoling  
Mr. Yiu Ming Yiu  
Mr. Chow Wai Leong  
Dr. Xu, Tianhong  
Mr. Gao Xiang  
Dr. Wang Xiaorui  
Mr. Sim Sze Kuan  
Ms. Yuen Wai

Dear Sirs,

## **VOLUNTARY CONDITIONAL CASH PARTIAL OFFER BY PRIMEPARTNERS CORPORATE FINANCE PTE. LTD., FOR AND ON BEHALF OF MEDEZE TREASURY PTE. LTD., FOR THE OFFER SHARES**

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*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 11 June 2025 (the “**Circular**”) issued by the Company to the shareholders of the Company shall have the same meanings herein.*

### **1. INTRODUCTION**

On 13 May 2025 (the “**Offer Announcement Date**”), PrimePartners Corporate Finance Pte. Ltd. (“**PPCF**”) announced (the “**Offer Announcement**”), for and on behalf of Medeze Treasury Pte. Ltd. (the “**Offeror**”), that the Offeror intends to make a voluntary conditional cash partial offer (the “**Partial Offer**”) to acquire 25,630,774 issued ordinary shares (the “**Shares**”) in the capital of the Company (other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror in connection with the Partial Offer (the “**Concert Parties**”)) (the “**Offer Shares**”) which, when aggregated with the MT Shares (as defined herein), would represent 10.68% of the total number of Shares (excluding treasury shares), as at a record date (the “**Record Date**”) for the purpose of determining the entitlements of the shareholders of the Company (the “**Shareholders**”) other than the Offeror and the Concert Parties to the Partial Offer (the “**Offer Shareholders**”), in accordance with Rule 16 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

On 28 May 2025, PPCF issued, for and on behalf of the Offeror, the offer document dated 28 May 2025 (the “**Offer Document**”) containing, *inter alia*, the terms and conditions of the Partial Offer.

In connection with the Partial Offer, Novus Corporate Finance Pte. Ltd. (“**NCF**”) has been appointed by the Company as the independent financial adviser (the “**IFA**”) to the directors of the Company (the “**Directors**”) who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Partial Offer (the “**Recommending**”).

**Directors**"). This letter ("**Letter**") is addressed to the Recommending Directors and sets out, *inter alia*, our evaluation of the financial terms of the Partial Offer and our opinion and advice thereon, and forms part of the Circular providing, *inter alia*, details of the Partial Offer and the recommendation of the Recommending Directors.

## 2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Recommending Directors on the financial terms of the Partial Offer in compliance with the provisions of the Code. We have confined our evaluation to the financial terms of the Partial Offer and have not taken into account the strategic, legal, commercial risks and/or commercial merits of the Partial Offer.

Our terms of reference do not require us to evaluate or comment on the rationale for or the strategic or long-term merits of the Partial Offer or on the future prospects of the Company and its subsidiaries (collectively, the "**Group**") or the method and terms by which the Partial Offer has been made or any other alternative methods by which the Partial Offer may be made. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and advice as set out in this Letter.

We are not authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. We are therefore not addressing the relative merits of the Partial Offer as compared to any alternative transaction that may be available to the Company (or the Shareholders) or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation of the financial terms of the Partial Offer, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Group. We have also relied on the information and representations, whether written or verbal, including relevant financial analyses, estimates and information contained in the Circular, provided by the management of the Company (the "**Management**"), the Directors and the Company's solicitors and/or auditors (where relevant). We have not independently verified such information and representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information and representations. We have nevertheless made reasonable enquiries and exercised our judgement as we deemed necessary in assessing the information and representations provided to us and have found no reason to doubt the reliability of the information and representations.

We have relied upon the assurances of the Directors that, upon making all reasonable enquiries and to the best of their respective knowledge, information and belief, (a) all material information in connection with the Partial Offer, the Company and/or the Group has been disclosed to us, (b) such information is true, complete and accurate in all material respects, and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Partial Offer, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

For the purposes of assessing the financial terms of the Partial Offer and reaching our conclusion thereon, we have not conducted a comprehensive independent review of the business, operations or financial condition of the Group. We have also not relied upon any financial projections or forecasts in respect of the Company and/or the Group in our evaluation of the Partial Offer. We are not required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion and advice in this Letter.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group. As such, we have relied on the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Company and/or the Group. We have also not been furnished with any independent valuation or appraisal reports of the assets and liabilities of the Group, save for the valuation certificates dated 6 June 2025 and 3 June 2025 prepared by PREMAS Valuers & Property Consultants Pte Ltd (“PREMAS”) and VPC Alliance (KL) Sdn. Bhd. (“VPC”), respectively (the “**Valuation Certificates**”), as well as the valuation report dated 4 June 2025 prepared by Global Engineering Services (the “**Valuation Report**”), as commissioned by the Company to perform an independent valuation on the Group’s properties located in Singapore, Malaysia and India (as the case may be), for the purposes of the Partial Offer. The Valuation Certificates and the Valuation Report have been included as Appendix G, H and I to the Circular. As we are not experts in the evaluation or appraisal of the assets set out in the Valuation Certificates and the Valuation Report, we have placed sole reliance on the independent valuation in relation to the aforementioned assets and have not made any independent verification of the contents thereof. In addition, we do not assume any responsibility to enquire about the assumptions and bases set out in the Valuation Certificates and the Valuation Report or if the contents in the Valuation Certificates and the Valuation Report have been prepared in accordance with all applicable regulatory requirements.

Our analysis, opinion and advice as set out in this Letter are based on the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at, 4 June 2025 (the “**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time, and we assume no responsibility to update, revise or reaffirm our opinion and advice in light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Partial Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax status, risk profile or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profile, we would advise the Recommending Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. As such, our opinion and advice should not be the sole basis for any Shareholder in deciding whether or not to vote in favour of the Partial Offer and/or accept the Partial Offer.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

**Our opinion and advice in respect of the Partial Offer, as set out in paragraph 7 of this Letter, should be considered in the context of the entirety of this Letter and the Circular.**

### **3. THE PARTIAL OFFER**

Subject to the terms and conditions set out in the Offer Document and the accompanying relevant forms of acceptance for the Partial Offer, for and on behalf of the Offeror, PPCF has made the Partial Offer for all the Offer Shares in accordance with Rule 16 of the Code on the following basis:

#### **3.1 Offer Shares**

The Partial Offer is made to acquire the Relevant Number (as defined in the Offer Document) of Shares which comprise 25,630,774 Shares, representing approximately 10.00% of the total

number of Shares, when aggregated with the MT Shares, would represent 10.68% of the total number of Shares (excluding treasury shares) as at the Record Date.

The Partial Offer is extended to all the Shares (excluding treasury shares), other than Shares already owned, controlled or agreed to be acquired by the Offeror and the Concert Parties on or prior to the Record Date.

Assuming that there is no change to the total number of Shares (excluding treasury shares) between the Latest Practicable Date and the Record Date, the Relevant Number of Offer Shares to be acquired pursuant to the Partial Offer will be 25,630,774 Shares, representing approximately 10.00% of the total number of Shares (excluding treasury shares).

### **3.2 Offer Shareholders**

The Partial Offer is extended to all Shareholders as at the Record Date, other than the Offeror and the Concert Parties (the “**Offer Shareholders**”).

### **3.3 Offer Price**

The consideration for each Offer Share (the “**Offer Price**”) acquired pursuant to the Partial Offer is as follows:

**For each Offer Share: S\$0.250 in cash**

### **3.4 No Encumbrances**

The Offer Shares will be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (collectively, the “**Encumbrances**”), and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) which may be declared, paid or made by the Company in respect of the Offer Shares (collectively, “**Distributions**”) on or after the Offer Announcement Date.

### **3.5 Adjustment for Distributions**

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to an Offer Shareholder who validly accepts or has validly accepted the Partial Offer, the Offer Price payable to such accepting Offer Shareholders shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Shares tendered in acceptance by such accepting Offer Shareholders pursuant to the Partial Offer falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price shall remain unadjusted for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or
- (b) if such settlement date falls after the Books Closure Date, the Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.

### 3.6 Awards

As at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding awards as of 31 December 2023 in respect of the Shares.

### 3.7 Conditions to the Partial Offer

The Partial Offer will be subject to the minimum acceptance condition of the Offeror having received, by the close of the Partial Offer, valid tenders of Shares in acceptance of the Partial Offer in respect of not less than the Relevant Number of the Offer Shares, representing 10.00% of the total number of Shares (excluding treasury shares) as at the Record Date.

**The Partial Offer will not become or be capable of being declared unconditional in all respects unless the above condition is satisfied.**

### 3.8 Resultant Shareholding

Assuming that (a) there are no changes to the total issued Shares of the Company between the Latest Practicable Date and the close of the Partial Offer; and (b) the Partial Offer becomes unconditional in accordance with its terms in all respects, the resultant direct shareholding of the Offeror shall be approximately 10.68% of the Shares (excluding treasury shares) as at the Record Date.

### 3.9 Record Date

The Transfer Books and the Register will be closed at 5.00 p.m. (Singapore time) on the Record Date, 11 June 2025, being the fourteenth (14<sup>th</sup>) day before the First Closing Date, for the purpose of determining the entitlements of the Offer Shareholders to the Partial Offer.

Only (a) Shareholders whose securities accounts are credited with Offer Shares (in the case of depositors), and (b) Shareholders who have Offer Shares registered in their names on the Register of Members of the Company (in the case of Shareholders who hold the Offer Shares in scrip form), in each case, as at the Record Date, will constitute Offer Shareholders for the purposes of the Partial Offer.

An Offer Shareholder who is a depositor and wishes to vote on and/or accept the Partial Offer must ensure that there are Offer Shares held in his Securities Account as at the Record Date. An Offer Shareholder who is not a depositor and wishes to accept the Partial Offer must ensure that there are Offer Shares registered in his name on the Register as at the Record Date. **A person who is NOT an Offer Shareholder as at the Record Date will NOT BE ELIGIBLE to participate in the Partial Offer and will NOT be entitled to accept or approve the Partial Offer in respect of any Offer Shares held by him.**

### 3.10 Warranty

An Offer Shareholder who tenders his Shares for acceptance under the Partial Offer will be deemed to have unconditionally and irrevocably warranted that he sells such Shares as or on behalf of the beneficial owner(s) thereof: (i) fully paid; (ii) free from any Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions which may be declared, paid or made by the Company on or after the Offer Announcement Date.

### 3.11 Details of the Partial Offer

Further details of the Partial Offer, including (a) the duration of the Partial Offer, (b) the settlement of the consideration for the Partial Offer, (c) the requirements relating to the announcement of the level of acceptances of the Partial Offer, (d) the right of withdrawal of acceptances, and (e) the Relevant Percentage Offer Shares and Scale-back (as defined in the Offer Document), are set out in Appendix 1 to the Offer Document.

### 3.12 Approval from the Securities Industry Council

On 2 May 2025, the Securities Industry Council of Singapore (the “SIC”) granted its consent to the making of the Partial Offer in accordance with Rule 16.1 and Rule 16.2 of the Code subject to the following conditions:

- (a) arrangements will be made with Singapore Exchange Securities Trading Limited (the “SGX-ST”) prior to the posting of the Offer Document to provide a temporary trading counter to trade odd-lots in the Shares after the close of the Partial Offer. The counter will be open for a period of not less than one month;
- (b) the Partial Offer will be made to all Shareholders of the class and arrangements are made for those Shareholders who wish to accept in full for the relevant percentage of their holdings. Shares tendered in excess of this percentage will be accepted by the Offeror from each Shareholder in the same proportion as the number tendered to the extent necessary to enable the Offeror to obtain the total number of Offer Shares for which he has offered. The Offeror will arrange its acceptance procedure to minimise the number of new odd-lot shareholdings;
- (c) the precise number of Shares, percentage or proportion offered is stated, and the Partial Offer may not be declared unconditional as to acceptances unless acceptances are received for not less than that number, percentage or proportion; and
- (d) the Offeror and the Concert Parties not acquiring voting rights in the Company during the offer period.

## 4. INFORMATION ON THE OFFEROR

The following information on the Offeror, has been extracted from section 9 of the Offer Document and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document. Additional information on the Offeror is also set out in Appendix 3 to the Offer Document.

### “9. INFORMATION ON THE OFFEROR

*The Offeror is a private company limited by shares and incorporated in Singapore on 4 May 2021. The Offeror’s principal activity is that of an investment holding company and providing management consultancy services to healthcare organisations. As at the Latest Practicable Date:*

- (a) the Offeror has an authorised share capital of S\$27,276,831.83 consisting of one class of ordinary shares of S\$1.00 each; and*
- (b) the Directors of the Offeror are Ms. Lim Gek Lian, Sharon (Lin Yulian, Sharon) and Mr. Veerapol Khemarangsarn.*

*The Offeror is a wholly-owned subsidiary of Medeze Group PCL which has been listed on the SET since October 2024 with a market capitalisation of approximately S\$305.6 million as at the Latest Practicable Date. The Medeze Group is engaged in the business of analysing, sorting, culturing and storing stem cells and testing the potential of immune cells.*

*The Medeze Group is a leader in the Southeast Asia stem cell services market with more than fourteen (14) years of experience in providing services covering long-term stem cell storage through innovation and modern technology. The Medeze Group operates a laboratory accredited by the Association for the Advancement of Blood and Biotherapies (AABB) in the United States. The laboratory is equipped with modern*



equipment and technology for the stem cell banking industry, such as AutoXpress and Quantum Machine.

*The Medeze Group recorded total revenue of THB874.3 million<sup>1</sup> and net profit of THB338.7 million for the financial year ended 31 December 2024, representing growth of 23.6% and 41.4% year-on-year respectively. The Medeze Group's asset base tripled to over more than THB3.4 billion, following its successful listing on the SET and strategic reinvestment into technology and capacity.*

*The Medeze Group is founded and headed by the incumbent chief executive officer, Dr. Veerapol Khemarangsarn, an experienced obstetrics and gynaecology specialist, who brings deep clinical and commercial expertise. He continues to be personally involved in stem cell procedures, lending the Medeze Group a rare combination of medical and operational leadership. He currently serves as the Director of Training Committee in Bangkok Metropolitan Endoscopic Center (BMEC).*

*For more information of the Medeze Group, please refer to Appendix 3 of this Offer Document or to <https://www.medezegroup.com/th/>.*

*As at the Latest Practicable Date, the Offeror holds a total of 1,750,200 Shares representing approximately 0.68% of the voting rights in the Offeree (the "MT Shares")."*

## **5. RATIONALE FOR THE PARTIAL OFFER AND OFFEROR'S INTENTIONS FOR THE COMPANY**

The full text of the rationale for the Partial Offer has been extracted from section 11 of the Offer Document and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

### **"11. RATIONALE FOR THE PARTIAL OFFER**

*The Partial Offer, if successful, will allow the Offeror to increase its direct holdings (including the MT Shares) in the Offeree to approximately 10.68% of the total number of Shares (excluding treasury shares).*

*The Offeror, together with its parent company, Medeze Group PCL – one of the leaders in the field of regenerative stem cell therapy based in Thailand – is seeking to increase its shareholding in the Offeree through the Partial Offer. Upon successful completion of the Partial Offer, the Offeror, together with its parent company, will communicate with and endeavour to explore business opportunities with the Offeree to create long-term value and mutual benefit for both parties.*

#### **11.1 Synergistic Nature**

*The Partial Offer marks the first strategic initiative since Medeze Group PCL's listing on the SET to broaden its regional footprint. In particular, the Offeror recognises the synergistic nature of the cord blood banking, stem cell and healthcare services business of the Offeree and the Medeze Group. The Offeror believes there are long-term opportunities that could benefit both parties including promotion of services together for market expansion, products/services development, diversification of business in the region and cost and operational synergies by leveraging each other's expertise.*

*If a collaboration eventuates, the Medeze Group and the Offeree could explore opportunities to provide services to each other's customers which would help to strengthen the market position and network of the Medeze Group and the Offeree. As an example and for illustrative purposes only, the Medeze Group could (where*

permissible), offer services like analysing and storing natural killer cell and hair follicle banking services to the Offeree's customers. The Offeree (where permissible) could on the other hand offer its chromosomal and genetic analysis and screening services to the Medeze Group's customers. This collaboration can further support the growth of both the Medeze Group and the Offeree at the international level.

### **11.2 Commitment by the Offeror**

The Offeror wishes to demonstrate its commitment to contribute positively to the Offeree as a long-term substantial Shareholder. By acquiring a meaningful stake, the Offeror aims to collaborate with existing controlling Shareholders and management by engaging in constructive dialogue and partnerships to align on strategic priorities, governance, and operational enhancements that will benefit the Offeree's long-term success. Such strategic cooperation and long-term commitment between the companies could provide a competitive edge over global competitors.

### **11.3 Low Trading Liquidity and Trading Price**

The Offeror observed that the Shares of Offeree has been thinly traded in recent years whereby the average daily trading volume for the last twelve (12) months was approximately 210,958 Shares. As such, by making the Partial Offer, it would be expedient for the Offeror to build up a meaningful stake of Shares in a single corporate action. In addition, the trading price of the Offeree has declined significantly in the twelve (12) to fifteen (15) months preceding the Last Trading Date.

Consequently, the Offeror believes the Partial Offer provides Offer Shareholders with the opportunity to realise part or potentially all of their investment through an attractive cash premium of 61.3% to the closing price of S\$0.155 per Share on 9 May 2025, being the Last Trading Date prior to the Offer Announcement Date. Please refer to Section 13 of this Offer Document for the premium of the Offer Price to the historical VWAP of the Offeree."

## **6. ASSESSMENT OF THE FINANCIAL TERMS OF THE PARTIAL OFFER**

In assessing the financial terms of the Partial Offer, we have considered the following which we view as pertinent and having a significant bearing on our evaluation:

- (a) Historical financial performance of the Group;
- (b) Historical market price performance and trading activity of the Shares;
- (c) Historical Share price performance relative to market index;
- (d) Historical financial position of the Group;
- (e) Historical trailing price-to-net asset value ("**P/NAV**") and price-to-net tangible asset ("**P/NTA**") multiples of the Shares;
- (f) Valuation ratios of selected companies which principal business activities are broadly comparable to those of the Group;
- (g) Selected precedent take-over offers involving companies listed on the SGX-ST;
- (h) Estimated theoretical valuation of the Shares; and
- (i) Other relevant considerations.

The figures, underlying financial and market data used in our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from



London Stock Exchange Group Workspace (formerly known as Refinitiv Eikon) (“**LSEG Workspace**”), the SGX-ST, and other public filings as at the Latest Practicable Date or as provided by the Company where relevant. NCF makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

Shareholders should note that the Company had on 30 November 2023, announced that it had received a notice from the Ministry of Health (“**MOH**”) to stop, for a period of up to six (6) months, on the collection, testing, processing and/or storage of any new cord blood and human tissues or provide any new type of tests to patients (the “**Notice**”) as seven (7) of its cryogenic storage tanks based in Singapore had been exposed temperatures outside of their normal temperature (the “**Suspension**”). On 8 April 2024, the Company announced, amongst others, one cryogenic storage tank and the dry shipper which contain approximately 5,300 donated cord blood units (“**CBU**”) had been deemed by the MOH’s expert panel to be at high risk of being adversely affected by the temperature excursions (the “**High-Risk Tanks**”). In addition, the CBUs in a cryogenic storage tank (the “**Tank A**”) were unlikely to be suitable for stem cell transplant purposes. As such, the Company had offered a refund of annual fees received from the start of the temperature excursion and waived subsequent fees for all active clients whose CBUs are stored in the High-Risk Tanks and Tank A (the “**Refunds/Waivers**”). The Company is currently conducting a comprehensive and independent review of the Additional Low-Risk Tanks Test Results (as defined below) and the impact or outcome of such review has not been taken into account in the Group’s financial performance for the financial year ended 31 December (“**FY**”) 2024. In addition, the Company received claims against the Company alleging the damage of the CBUs from Tank A and the High-Risk Tanks in 2024 and up to the Latest Practicable Date, and the impact of such claims have not been accounted for in the financial performance for FY2024.

In August 2024, the Company has resumed its cord blood banking service operations in a controlled manner, and shall not collect, test, process and/or store more than 30 units per month of new cord blood from infant donors. In January 2025, the Company’s cord blood banking service and human tissue banking services licences have been renewed for a period of one (1) year and the Company has resumed full operations in Singapore. For the avoidance of doubt, the Company also operates in other countries including Hong Kong, India, Malaysia and the Philippines.

In relation to the above, the contingent liabilities of the Group were disclosed in the Group’s audited financial statements for FY2024. The auditors of the Company, PKF-CAP LLP (“**PKF-CAP**”), had included an emphasis of matters as well as a disclaimer of opinion in their independent auditor’s report on the Group’s FY2024 audited financial statements (the “**FY2024 Disclaimer of Opinion**”), as they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

## 6.1 Historical Financial Performance of the Group

For the purpose of evaluating the financial terms of the Partial Offer, we have considered the consolidated financial statements of the Group for FY2022, FY2023 and FY2024. The following summary of the financial information should be read in conjunction with the full text of the Group’s published audited financial statements for FY2023 and FY2024 in respect of the relevant financial years including the notes thereto.

### Consolidated statements of comprehensive income

	----- Audited -----		
<b>(\$\$’000)</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Revenue	55,156	55,730	27,646
Gross profit	37,189	37,305	11,535
<b>Profit / (loss) before income tax from operations</b>	<b>4,248</b>	<b>2,743</b>	<b>(20,762)</b>
Fair value gain on investment	537	252	161

(S\$'000)	----- Audited -----		
	FY2022	FY2023	FY2024
properties			
Share of profit of associate, net of tax	718	1,263	1,621
Profit / (loss) before income tax	5,503	4,258	(18,980)
Net profit / (loss) attributable to owners of the Company	4,887	3,523	(18,883)
<b>Margins (%)</b>			
Gross profit margin	67.4	66.9	41.7 <sup>(1)</sup>
Net profit / (loss) margin	8.9	6.3	(68.3) <sup>(1)</sup>

**Note:**

- (1) Excluding the Revenue Reversal in relation to the Refund/Waiver (as defined below), the gross profit margin and the net loss margin would have been 57.9% and 21.7% respectively.

Consolidated cash flow statements

(S\$'000)	----- Audited -----		
	FY2022	FY2023	FY2024
Net cash generated from / (used in) operating activities	7,715	9,796	(11,312)
Net cash generated from / (used in) investing activities	4,431	(2,631)	(1,902)
Net cash (used in) / generated from financing activities	(13,446)	(1,860)	6,257
Net (decrease) / increase in cash and cash equivalents	(1,300)	5,305	(6,957)
Cash and cash equivalents at end of year	13,381	18,423	11,497

*Source: Annual reports of the Company for FY2023 and FY2024*

Consolidated statements of comprehensive income

*FY2022 vs FY2023*

The Group's revenue increased by approximately S\$0.6 million or 1.0% from approximately S\$55.2 million in FY2022 to approximately S\$55.7 million in FY2023 as a result of an increase in revenue from (a) the banking segment which comprises the collection, processing and banking of biological materials (the "**Banking Segment**") despite a decrease in the number of new samples processed and stored in India, which is offset by an increase the number of new samples processed and stored in the Philippines and Hong Kong as well as a higher selling price per contract in the Philippines and Hong Kong as compared to India, and (b) diagnostics segment which comprises diagnostic testing services (the "**Diagnostics Segment**"), mainly due to an increase in testing volume in Hong Kong, the Philippines and Singapore.

The Group's gross profit increased marginally by approximately S\$0.1 million or 0.3% from approximately S\$37.2 million in FY2022 to approximately S\$37.3 million in FY2023, mainly due to an increase in new samples processed and stored in Hong Kong which has a higher profit margin, offset by a decrease in new samples processed and stored in India and Indonesia. Gross profit margin decreased to 66.9% in FY2023 *vis-a-vis* 67.4% in FY2022, mainly due to inflationary pressures resulting in a higher cost of service delivery as well as fixed running costs being incurred in Singapore despite the Suspension.

The Group's profit before tax decreased by approximately S\$1.2 million or 22.6% from approximately S\$5.5 million in FY2022 to approximately S\$4.3 million in FY2023 mainly due to (a) the Group being affected by the Suspension, which had an impact to the growth in gross profit, (b) an increase in the selling and marketing expenses, (c) an increase in administrative expenses, including foreign currency translation losses, amortisation charges, and impairment losses, (d) a decrease in the operating income primarily due to a gain on disposal of property, plant and equipment recognised in FY2022 as compared to FY2023, which was partially offset by the recognition of an investment gain in short-term investments held in Malaysia in FY2023 as compared to an investment loss recorded in FY2022, and (e) a decrease in the fair value gain on investment properties, which were partially offset by an increase in (i) finance income received from fixed deposits and (ii) the share of profit of the associate, being the contributions from Thai Stemlife Co., Ltd.

Taking into account the income tax of approximately S\$0.7 million and the net profit attributable to non-controlling interests of approximately S\$43,000 in FY2023, the Group recognised a net profit attributable to equity holders of the Company of approximately S\$3.5 million in FY2023 *vis-à-vis* a profit attributable to equity holders of the Company of approximately S\$4.9 million in FY2022.

#### *FY2023 vs FY2024*

The Group's revenue decreased by approximately S\$28.1 million or 50.4% from approximately S\$55.7 million in FY2023 to approximately S\$27.6 million in FY2024 mainly due to a decrease in revenue from (a) the Banking Segment as a result of the Suspension of the Singapore cord blood banking operations for a 9-month period, and (b) from the Diagnostics Segment as a result of a decrease in testing volume in Singapore and Indonesia. The decrease in revenue from the Banking Segment was also due to fewer new samples processed and stored in Singapore, as well as in India, Malaysia and Indonesia, as the publicity surrounding the Suspension also affected customer sentiment in these countries.

In FY2024, the aforementioned Refunds/Waivers had resulted in a revenue reversal of approximately S\$10.6 million (the "**Revenue Reversal**"), and such amount included the recognition of S\$0.8 million in contract liabilities relating to future storage obligations for affected clients. Excluding the Revenue Reversal, the Group's revenue would have decreased by approximately S\$17.5 million or 31.4% from S\$55.7 million in FY2023 to approximately S\$38.2 million in FY2024.

The Group's gross profit decreased by approximately S\$25.8 million or 69.1% from approximately S\$37.3 million in FY2023 to approximately S\$11.5 million in FY2024 mainly due to fewer samples processed and stored. Accordingly, the gross profit margin had decreased from 66.9% in FY2023 *vis-a-vis* 41.7% in FY2024. Excluding the financial impact of the Refunds/Waivers, gross profit for FY2024 would have been approximately S\$22.1 million. Accordingly, the gross profit margin would have been 57.9% in FY2024 *vis-a-vis* 66.9% in FY2023, mainly due to fixed running costs incurred in Singapore during FY2024, even as operations were suspended.

The Group recorded a net loss before tax of approximately S\$19.0 million in FY2024 *vis-à-vis* a profit before tax of approximately S\$4.3 million in FY2023 mainly due to (a) the Suspension and the Revenue Reversal, (b) an increase in administrative expenses primarily due to higher expenses related to impairment losses on trade receivables and legal and professional fees, partially offset by a one-off refund for development expenses, and lower share-based compensation expenses due to expiry of the Cordlife Share Grant Plan, and (c) a decrease in fair value gain on investment properties, which were partially offset by an increase in share of profit of associate, being the contributions from Thai Stemlife Co., Ltd.

Taking into account the income tax credit of approximately S\$0.1 million and the net profit attributable to non-controlling interests of approximately S\$7,000 in FY2024, the Group recorded a net loss attributable to equity holders of the Company of approximately S\$18.9 million in FY2024 *vis-à-vis* a net profit attributable to equity holders of the Company of approximately S\$3.5 million in FY2023.

## **Consolidated cash flow statements**

The Group recorded net cash generated from operating activities of approximately S\$7.7 million, S\$9.8 million in FY2022 and FY2023 respectively, and net cash used in operating activities of approximately S\$11.3 million in FY2024.

In respect of FY2024, the Group recorded net cash used in operating activities of approximately S\$11.3 million due to operating cash outflows before working capital changes of approximately S\$17.7 million mainly due to the loss before income tax in FY2024, which was partially offset by a net working capital inflow of approximately S\$6.2 million, net interest received of approximately S\$1.7 million, and income tax paid of approximately S\$1.5 million.

The Group recorded net cash used in investing activities of approximately S\$1.9 million due to the purchase of property, plant and equipment of approximately S\$3.3 million, and intangible assets of approximately S\$0.1 million, which were offset by the proceeds from the disposal of fixed assets of approximately S\$0.2 million, the transfer to fixed deposits of approximately S\$0.9 million and dividends received from associate of approximately S\$0.4 million.

The Group recorded net cash generated from financing activities of approximately S\$6.3 million mainly due to the transfer to pledged fixed deposits of approximately S\$8.6 million, which was offset by the payment of lease liabilities of approximately S\$2.0 million.

Taking into account the cash and cash equivalents at the beginning of FY2024 of approximately S\$18.4 million and the net decrease in cash and cash equivalents of approximately S\$6.9 million, the Group's cash and cash equivalents amounted to approximately S\$11.5 million as at 31 December 2024.

## **Disclaimer of Opinion**

The auditors of the Company, PKF-CAP, had issued the FY2024 Disclaimer of Opinion as they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements as a result of the matters highlighted in the section entitled 'Basis for Disclaimer of Opinion' of the independent auditors report for FY2024, the full text of which has been reproduced in italics:

### *"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 Opening balances**

*The independent auditor's report on the consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 December 2023 expressed a disclaimer of opinion. The extract of the basis for disclaimer of opinion is disclosed in Note 36 to the financial statements.*

*In view of the matters described in the Basis for Disclaimer of Opinion on the financial statements for the financial year ended 31 December 2023, we are unable to determine whether the opening balances as at 1 January 2024 are fairly stated. Since the opening balances as at 1 January 2024 enter into the determination of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 December 2024, we are unable to determine whether any adjustments might have been found necessary in respect of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 December 2024.*

Our opinion on the current financial year's consolidated financial statements of the Group is also modified because of the possible effects of the above-mentioned matters on the comparability of the current year's figures and the corresponding figures.

## **2 Going concern basis of preparation**

*In preparation of the financial statements, the Board of Directors of the Company believes that the use of the going concern assumption is appropriate after taking into consideration the factors as disclosed in Note 2.1 to the financial statements.*

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. On 14 January 2025, the Company's cord blood banking and human tissue banking licences were renewed for a period of one year, and the Company resumed full operations in Singapore. The Company announced on 2 April 2025 that it had received the full results from the Additional Low-Risk Tanks Test ("**Additional Low-Risk Tanks Test Results**") and was, together with its professional advisers and specialists, in the process of performing a technical analysis on the Additional Low-Risk Tanks Test Results. As at the date of this auditor's report, the technical analysis has been completed, and the findings are undergoing a comprehensive and independent review, to ensure greater accuracy and reliability of the Company's analysis. The process is expected to be completed in or around the later part of 2025. Since the outcome of the review of the Additional Low-Risk Tanks Test Results has yet to be finalised, there are no alternative audit procedures that can be performed. We are therefore unable to obtain sufficient appropriate audit evidence as to certain inputs and assumptions used in applying the going concern basis of preparation. In particular, these key inputs and assumptions include the timing and amount of the financial effects of refunds and claims by the potentially affected customers following the conclusion of the outcome of the review of the Additional Low-Risk Tanks Test Results and the timing and amount of the financial effects arising from possible fines and/or penalties following the conclusion of the investigation by MOH.

Certain subsidiaries of the Group require financial support from the Company. As mentioned above, we are unable to obtain sufficient audit evidence as to certain 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.

## **3 Refunds and claims**

We refer to Note 2.1, where the Company updated on 2 April 2025 that it had received the Additional Low-Risk Tanks Test Results and was, together with its professional advisers and specialists, in the process of performing a technical analysis on such results. As at the date of this auditor's report, the technical analysis has been completed and the findings are undergoing a comprehensive and independent review, to ensure greater accuracy and reliability of the Company's analysis. The process is expected to be completed in or around the later part of 2025. We have not been able to obtain sufficient appropriate audit evidence as to the number of potentially affected customers whose cord blood has been confirmed to be damaged as the outcome of the review of the Additional Low-Risk Tanks Test Results has yet to be finalised as at the date of this auditor's report. Therefore, we are unable to quantify any adjustments that may need to be recorded in the Group and the Company's financial statements arising from any refunds and/or claims, both constructive and contingent as at 31 December 2024.

## **4 Valuation of trade receivables and contract assets**

As at 31 December 2024, the Group's trade receivables and contract assets totalled \$25,162,000 (2023: \$22,672,000) and \$58,421,000 (2023: \$62,556,000) which accounted for 38.49% (2023: 37.31%) of the Group's total assets. During the financial

year ended 31 December 2024, the Group has recognised impairment loss on trade receivables and contract assets amounted to \$1,373,000 (2023: \$294,000).

*As disclosed in Note 2.1 to the financial statements, the Additional Low-Risk Tanks Test Results are currently undergoing a comprehensive and independent review. The outcome of this review may impact the recoverability of the trade receivables and contract assets. As the outcome of the review has yet to be finalised as at 31 December 2024, we are unable to obtain sufficient appropriate audit evidence to assess the adequacy of the expected credit loss allowance recognised by management. Consequently, we are unable to determine whether any adjustments to these trade receivables and contract assets, and the corresponding expected credit loss allowance, are necessary. Due to the significance of this matter, we have not been able to obtain sufficient appropriate audit evidence over the reasonableness of the management's recoverability assessment."*

### **Emphasis of Matters**

In addition to the FY2024 Disclaimer of Opinion, PKF-CAP had also included its emphasis of matters in the independent auditor's report on the Group's audited financial statements for FY2024, the full text of which has been reproduced in italics below:

#### *"Emphasis of Matters*

*We draw attention to Note 34(a) to the financial statements which discloses that there are Tank A and High-Risk Tanks' customers who have not accepted the refund offered by the Company. As such, they may potentially still bring claims against the Company arising from its non-compliance with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Services) Regulations.*

*We also draw attention to Note 34(b) to the financial statements which indicates that the Company had been notified by the Ministry of Health ("MOH") on 22 January 2024 that a list of the potential areas of non-compliance with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Services) Regulations had been identified. On 14 January 2025, the Company was issued updated Licences, allowing it to resume full operations in Singapore for a period of one year. At this stage, MOH has not notified the Company of any fines and/or penalties and/or whether any further action regarding the identified non-compliances will be taken.*

*We also draw attention to Note 34(c) to the financial statements which indicates that several of its directors, former directors, the Chief Financial Officer and the Group Executive Director, were arrested by the Commercial Affairs Department ("CAD") and are currently under investigation in relation to a potential offence under the Securities and Futures Act 2001. The Company was informed that the offence relates to potential breaches of its disclosure obligations concerning the irregular temperatures of a certain cryogenic storage tank.*

*Our opinion is not modified in respect of the above matters."*

### **Going concern basis of accounting**

Notwithstanding the above, the consolidated financial statements for FY2024 have been prepared by the Company 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 12 months, after taking into account (a) the renewal of the Company's cord blood banking and human tissue banking licences (the **"Renewal of Licenses"**), (b) available cash and cash equivalents and fixed deposits, (c) net working capital forecasts based on reasonably possible circumstances, surrounding key assumptions which include, amongst others, new customer sign-ups and cash outflow for refunds in respect of Tank A and the High-Risk Tanks.

However, no cashflow has been considered for the following as they cannot be determined at as the date of the financial statements for FY2024:



- (a) the outcome of the Additional Testing of Low-Risk Tanks and any potential refunds subsequent to the release of the test results;
- (b) claims from the Company's customers alleging the damage of CBUs resulting from the Company's storage of the CBUs; and
- (c) fines and/or penalties imposed on the Company as a result of the suspension of operations and MOH investigations as well as any future claims from affected customers.

Further details on the basis of preparation by the Company can be found in note 2 of the Group's audited financial statements for FY2024, and Shareholders are advised to read the information carefully.

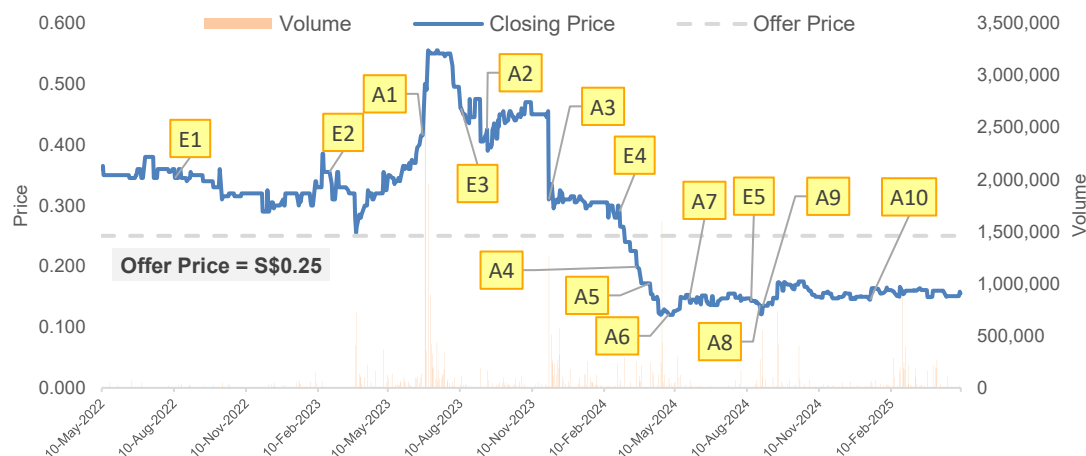
## 6.2 Historical Market Price Performance and Trading Activity of the Shares

We note the following events in the 3-year period prior to the Offer Announcement that had a material impact on the market prices of the Shares:

- (a) on 21 June 2023, the Company requested for a trading halt at 4.37 p.m. (Singapore time) (the **"Holding Announcement Trading Halt"**) and had on 26 June 2023 at 7.35 a.m. (Singapore time), announced a holding announcement that it had been notified of confidential discussions being held between Cradle Investments Pte. Ltd. (**"Cradle Investments"**) and a third party in relation to a possible transaction involving the Company (the **"Cradle Investments Possible Transaction"**), which may or may not lead to an offer for the Shares (the **"Cradle Investments Holding Announcement"**). On 13 September 2023, the Company announced that it had been notified that Cradle Investments had ceased its discussions with the third party in relation to the Cradle Investments Possible Transaction;
- (b) on 30 November 2023 at 11.08 p.m. (Singapore time), the Company announced that it had on the same date received the Notice from the MOH to stop, for a period of up to six (6) months, on the collection, testing, processing and/or storage any new cord blood and human tissues, or provide any new type of tests to patients (the **"MOH Notice Announcement"**).

In view of the above, we have set out the daily closing prices for (a) the 3-year period between 10 May 2022 and 9 May 2025, being the last traded market day immediately prior to the Offer Announcement (the **"Last Trading Day"**), and (b) the period after the Last Trading Day and up to the Latest Practicable Date.

### Daily closing prices and daily trading volumes of the Shares for the 3-year period prior to and including the Last Trading Day



Source: LSEG Workspace and the Company's announcements on the SGXNET

A summary of the salient announcements released by the Company during the aforementioned period has been set out below, and we have also marked certain dates of those announcements, which may appear to have had an impact to the closing price of the Shares as illustrated in the price chart above.

**Earnings announcements:**

No.	Date	Event
E1	11 August 2022	The Company announced its unaudited financial statements for the half year ended 30 June ("1H") 2022 in which the Group's net profit after tax attributable to owners of the Company decreased by approximately S\$0.6 million or 24.0% from approximately S\$2.5 million in 1H2021 to approximately S\$1.9 million in 1H2022.
E2	24 February 2023	The Company announced its unaudited financial statements for FY2022 in which the Group's net profit attributable to owners of the Company decreased by approximately S\$1.2 million or 20.3% from approximately S\$6.1 million in FY2021 to approximately S\$4.9 million in FY2022.
E3	11 August 2023	The Company announced its unaudited financial statements for HY2023 in which the Group's net profit attributable to owners of the Company increased by approximately S\$0.3 million or 17.5% from approximately S\$1.9 million in 1H2022 to approximately S\$2.2 million in 1H2023.
E4	29 February 2024	The Company announced its unaudited financial statements for FY2023 in which the Group's net profit attributable to owners of the Company decreased by approximately S\$1.2 million or 24.0% from approximately S\$4.9 million in FY2022 to approximately S\$3.7 million in FY2023.
E5	15 August 2024	The Company announced its unaudited financial statements for HY2024 in which the Group recorded a net loss attributable to owners of the Company of S\$12.4 million in HY2024 <i>vis-à-vis</i> a net profit attributable to owners of the Company of S\$2.2 million in HY2023.
E6	1 March 2025	The Company announced its unaudited financial statements for FY2024 in which the Group recorded a net loss attributable to owners of the Company of S\$18.7 million in FY2024 <i>vis-à-vis</i> a net profit attributable to owners of the Company of S\$3.5 million in FY2023.

**Other significant announcements:**

No.	Date	Event
A1	26 June 2023	The Company announced the Cradle Investments Holding Announcement following the Holding Announcement Trading Halt on 21 June 2023. Subsequently, the Company provided a monthly update on the possible transaction between Cradle Investments and a third party on 26 July 2023 and 25 August 2023 on which the Company was notified that Cradle Investments was still in discussions with the third party on the Cradle Investments Possible Transaction at the relevant time.
A2	13 September 2023	The Company announced that it was notified that Cradle Investments had ceased discussions with the third party on the Cradle Investments Possible Transaction.
A3	30 November 2023	The Company announced the Notice, as the Company together with MOH, detected seven (7) of its cryogenic storage tanks based in Singapore had been exposed to temperatures outside of their normal temperature range from November 2020 to the date of the announcement, among which, there was one affected tank (Tank A) where the CBUs were determined by the cord blood banking experts appointed by the MOH, to be unlikely suitable for stem cell transplant purposes (the "Tank A Incident").



No.	Date	Event
		Subsequently on 13 December 2023, the Company announced that it would accept the contents of the Notice and would not submit written representations to MOH on the Notice. On 15 December 2023, the Company announced that the MOH had directed the Company to give effect to the contents of the Notice on and from 15 December 2023.
	<b>5 December 2023</b>	The Company announced that it had received a notice from Foundation for the Accreditation of Cellular Therapy (" <b>FACT</b> ") informing that FACT had initiated internal investigations into the circumstances raised in the Notice. The Company had been accredited by FACT since November 2015. FACT had notified the Company that its FACT accreditation would be suspended indefinitely with immediate effect, at a minimum until the completion of the FACT's investigations are completed with issues being resolved.
	<b>23 January 2024</b>	The Company announced that it had received a 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 Services) Regulations that the MOH had identified based on its inspections, and that the Company was required to rectify the potential non-compliances (including the circumstances which had led to such potential non-compliances) by 31 May 2024.
	<b>27 February 2024</b>	The Company announced the profit guidance in which the Company expected to report a material decline in profit for FY2023.
	<b>21 March 2024</b>	The Company announced that it had on 14 March 2024 (the " <b>First Requisition Notice</b> ") and 18 March 2024 received a letter from Philip Securities Pte Ltd (" <b>Philip Securities</b> ") as nominee for Nanjing Xinjiekou Department Store Co., Ltd. (" <b>NJXJK</b> ") and TransGlobal Real Estate Group Ltd. (" <b>TransGlobal</b> ") respectively, requesting the Board to convene an extraordinary general meeting (" <b>EGM</b> ") on the removal of certain directors. The EGM relating to the First Requisition Notice was subsequently convened on 23 May 2024.
<b>A4</b>	<b>22 March 2024</b>	The Company announced that it had received a notice dated 19 March 2024 from the Commercial Affairs Department (" <b>CAD</b> ") and the Monetary Authority of Singapore 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 " <b>Investigations</b> "). The Company had also been informed, amongst others, by certain Directors and a former Director that they had attended interviews at the CAD's offices and were arrested in connection with the Investigations and were released on bail. The Company noted that the offence was 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 as set out in the MOH Notice Announcement.
<b>A8</b>	<b>24 March 2024</b>	The Company announced that, with reference to a letter dated 23 February 2024 sent by SAC Capital Private Limited (" <b>SAC</b> ") on behalf of NJXJK and being the financial adviser to NJXJK, the Company was notified by SAC that NJXJK was reviewing its shareholding in the Company with the possibility of making an offer (either by itself or through its related companies) for the Shares, and no firm decision had been made by NJXJK on the potential offer (the " <b>NJXJK Potential Offer</b> ").
		Subsequently on 24 April 2024, 24 May 2024, 25 June 2024, and 24 July 2024, the Company announced that it received letters from SAC in respect of monthly updates in connection with the NJXJK Potential Offer, of which the NJXJK Potential Offer was being reviewed at the relevant time and no firm decision was being made. On 26 August 2024, the Company announced that it received the seventh letter from SAC updating NJXJK's

No.	Date	Event
		decision to discontinue pursuing the NJXJK Potential Offer.
	27 March 2024	<p>The Company announced that it received a letter from Philip Securities on behalf of TransGlobal, requesting the Board to convene an EGM to remove certain directors.</p> <p>In addition, the Company announced that its Chief Financial Officer, Ms. Thet Hnin Yi, had attended the CAD's interview and was arrested in connection with the Investigations and released on bail.</p> <p>On 5 April 2024, the Company announced updates received from the Directors with regard to their arrangements with CAD on the interviews in relation to the Investigations. Subsequently, the Company had on 19 May 2024, 23 May 2024, 23 July 2024, 29 July 2024 and 28 January 2025 announced updates in relation to the interviews by the relevant Directors and/or the Chief Financial Officer of the Company with CAD (as the case may be).</p>
A5	8 April 2024	<p>The Company announced an update on the test results of the tanks under investigation by the MOH, <i>inter alia</i>, that among the six (6) cryogenic storage tanks and one dry shipper from which the Company had sent donated CBUs to a third-party laboratory licensed by MOH in Singapore for testing since end December 2023, five (5) of them were at low risk of being adversely affected by temperature excursions (the "<b>Low-Risk Tanks</b>") after the initial round of testing.</p> <p>Following this round of testing, which was of a high-level preliminary impact assessment, the Company would send over 200 samples of CBUs from the five (5) Low-Risk Tanks for testing to provide more assurance in the testing results. The remaining one cryogenic storage tank (the "<b>Tank 6</b>") and the dry shipper which are the High-Risk Tanks had been deemed by the MOH's expert panel to be at high risk of being adversely affected by the temperature excursions, and as such, the Company would deem the CBUs in the High-Risks Tanks as non-viable.</p> <p>In addition, the CBUs in Tank A was determined by MOH's expert to be unlikely suitable for stem cell transplant. Accordingly, the Company had offered to, <i>inter alia</i>, refund annual fees received from the start of the temperature excursion. Such offers would also be extended to all customers whose CBUs were stored in the High-Risk Tanks. The Company estimated that the Refunds/Waivers for all affected active clients would result in a decrease in revenue and profit before tax of approximately S\$9.2 million which would have an adverse impact on the FY2024's financial results.</p>
	11 April 2024	<p>The Company announced that it had made an application to the SGX-ST to seek an extension of the deadline for the holding of the annual general meeting ("<b>AGM</b>") and the issue of the sustainability report for FY2023. The Company had also concurrently submitted an application to the Accounting and Corporate Regulatory Authority ("<b>ACRA</b>") seeking for an extension of time to convene the FY2023 AGM, and to file its annual return for FY2023.</p> <p>Subsequently, the Company had on 15 April 2024 announced that the SGX-ST had no objection to the Company's application for the extension. On 16 April 2024, the Company further announced that ACRA had also granted an extension for the holding of the AGM and the filing of its annual return for FY2023. Thereafter, on 17 May 2024, the Company announced that it had sought for a further extension of the issue of the FY2023 sustainability report, which was subsequently granted by the SGX-ST.</p>
	17 April 2024	<p>The Company announced that its Directors, excluding the nominee directors of NJXJK being Mr. Zhai Lingyun and Ms. Chen Xiaoling, had lodged a police report on the same day in relation to the suspected</p>

No.	Date	Event
		<p>involvement of mostly former employees of the Group in potential wrongdoings in connection with the Tank A.</p> <p>In addition, the Company announced that it had on 16 April 2024 entered into two (2) separate subscription agreements with subscribers, pursuant to which, each of the subscribers agreed to subscribe for an aggregate of up to 51,195,478 new Shares at an issue price of S\$0.160 for an aggregate cash consideration of approximately S\$8.2 million (the <b>"Proposed Placement"</b>).</p>
	22 April 2024	<p>The Company announced that it had, on 19 April 2024, been informed by the solicitors for NJXJK, Mr. Zhai Lingyun and Ms. Chen Xiaoling (collectively, the <b>"Claimants"</b>), that the Claimants had filed an application (the <b>"Application"</b>) before the High Court of Singapore against the Company and certain of the Directors being Dr. Ho Choon Hou, Yeo Hwee Tiong, Cheong Tuck Yan Titus Jim, Yiu Ming Yiu, Chow Wai Leong and Ivan Yiu Pang Fai (collectively, the <b>"Defendants"</b>) for, <i>inter alia</i>, an injunction restraining the Defendants from issuing or allotting new Shares in relation to the Proposed Placement. The High Court had, on 19 April 2024, granted the interim injunction, which was applied by the Claimants, restraining the Defendants from proposing to engage or engaging in conduct constituting a contravention of section 157 of the Companies Act 1967 (the <b>"Interim Injunction"</b>).</p> <p>Subsequently on 29 April 2024, the Company announced that it had filed an application to set aside the Interim Injunction (the <b>"Setting Aside Application"</b>) and that a hearing had been fixed on 10 May 2024 to consider this.</p>
	25 April 2024	<p>The Company announced (a) the material variances and reasons for the variances between the audited financial statements and the unaudited financial statements for FY2023, (b) the issuance of a disclaimer of opinion by the Company's former independent auditors, KPMG LLP (<b>"KPMG"</b>), in their independent auditor's report dated 24 April 2024, and (c) KPMG not seeking re-appointment at the AGM of the Company for FY2023. The Company had subsequently appointed PKF-CAP as the new auditors of the Company.</p>
A6	2 May 2024	<p>The Company announced that it had received a letter of demand from solicitors acting on behalf of one of its clients, alleging a breach by the Company of the service agreement entered into between the Company and the client and a breach of the duty of care in negligence. The sum that the client claimed fell within the jurisdiction of the District Courts that have the jurisdiction to deal with claims from S\$60,000 to S\$250,000.</p> <p>Separately, the Company also updated that it had in February 2024 received a notice of a claim lodged against the Company in the Small Claims Tribunal, which has the jurisdiction to deal with claims not exceeding S\$20,000 (or S\$30,000 but only if there is a Memorandum of Consent signed by both parties), from another client alleging the damage of the client's child's CBU resulting from the Company's storage of the CBU (<b>"SCT Claim"</b>). The SCT Claim was subsequently withdrawn by the client on 15 August 2024.</p>
	13 May 2024	<p>The Company announced that the Setting Aside Application was dismissed by the Court after the hearing. The Interim Injunction order was amended to include a carve out such that the Defendants would be able to proceed with putting any issue to a general meeting of the Company's shareholders, except any resolution for the approval of the Proposed Placement. Given the Court's dismissal of the Setting Aside Application and decision to uphold the Interim Injunction, the Company had decided not to proceed with the Proposed Placement and the subscription agreements were terminated on 13 May 2024 as announced by the Company on 23 May 2024. Subsequently, on 18 June 2024, the Company</p>

No.	Date	Event
		announced that the Claimants had filed the notice of discontinuance with the Court.
		The Company had also announced that it had on 11 May 2024 received a notice from the MOH highlighting the requirements of the Healthcare Services Act 2020, including the notification of any proposed changes to its key appointment holders (including members of the Board) one month before any such removals or substitutions taking place, where such removals or substitutions comprise more than half in number of the licensee's key appointment holders.
A7	28 May 2024	<p>The Company announced, <i>inter alia</i>, that the MOH had issued a notice to the Company on 27 May 2024 to stop the collection, testing, processing and/or storage of any new cord blood for up to an additional three (3) months with effect on and from 15 June 2024, and that the Company would accept and did not intend to submit written representations to the MOH. The Company also updated that it had applied to stop providing services relating to haematopoietic stem cells (including bone marrow) under its human tissue banking service, and would be focusing on the provision of services relating to the banking of ocular tissue (corneal lenticule only). As for the Company's clinical laboratory service license (the "CLS License"), the Company also applied on 15 May 2024 to discontinue its CLS License with effect from 20 May 2024 which was not expected to have any significant impact on the Company's operations in Singapore.</p> <p>Subsequently on 18 June 2024, the Company announced that the MOH had directed the Company to give effect to the contents of the notice on 27 May 2024 with effect on and from 15 June 2024.</p>
	12 August 2024	The Company announced that the Group expected to report a material decline in profit for 1H2024 as compared to 1H2023.
	15 August 2024	The Company announced that it had received a notice from the Association for the Advancement of Blood & Biotherapies ("AABB") informing the Company that AABB had withdrawn the Company's AABB accreditation for cord blood banking activities – collection, processing, storage and distribution. AABB had notified the Company that the AABB could accredit the Company only after the MOH permits on its resumption of business with the quality issues being resolved, and having several months of records available for on-site inspection. The Company does not expect the withdrawal of the Company's AABB accreditation to result in any material impact to the Company's ability to continue its business operations and/or the financial performance of the Group for FY2024.
A9	30 August 2024	<p>The Company announced that it had, on 29 August 2024, received a letter from the MOH, giving notice to the Company that it would be 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 license that the Company shall not collect, test, process and/or store more than 30 units per month of new cord blood from, amongst others, infant donors (including through any person appointed to provide the aforementioned services on behalf of the Company).</p> <p>Subsequently on 6 September 2024, the Company announced that it would accept and would not submit written representations to the MOH. On 13 September 2024, the Company announced that the MOH had directed the Company to give effect to the content of the above notice with effect on and from 15 September 2024 to 13 January 2025 (both dates inclusive).</p>
A10	14 January 2025	The Company announced that it had been informed by the MOH, on 13 January 2025, for the Renewal of Licenses for a period of one year with effect from 14 January 2025.

No.	Date	Event
	<b>18 February 2025</b>	The Company announced that it expected the Group to report a loss for FY2024.
	<b>25 March 2025</b>	The Company announced that it had made an application to the SGX-ST and ACRA seeking for an extension of time for the deadline for, <i>inter alia</i> , the holding of the AGM and the issue of the sustainability report for FY2024. Subsequently, the Company had on 7 April 2025 announced that the SGX-ST and ACRA had approved the extension for the holding of the AGM, issuing the sustainability report and the filing of the annual return for FY2024, as the case may be.
	<b>1 April 2025</b>	The Company announced that, on 28 March 2025, it received two (2) letters of demand from solicitors acting for two (2) groups of persons who were clients and had CBUs stored with the Company which were either (i) unlikely to be suitable for stem cell transplant purposes; or (ii) stored in tanks that were identified as falling within the “low risk” or “unaffected” category. The persons in Group (i) were claiming for damages for breach of contract and negligence. The aggregate sum claimed by these persons fell within the jurisdiction of the General Division of the High Court, which handles claims exceeding S\$250,000. The persons in Group (ii) had requested for, <i>inter alia</i> , certain warranties and undertakings from the Company as well as compensation for costs.
	<b>2 April 2025</b>	The Company announced that it had previously sent over 200 samples of CBUs from the Low-Risks Tanks for testing across multiple third-party laboratories (the “ <b>Additional Low-Risk Tanks Test Results</b> ”). The Company had received the full results as of 25 March 2025, and was performing the technical analysis on the results.

Based on the chart above, we note that the Shares had closed at prices which ranged between a low of S\$0.120 (on 22 April 2024, 3, 6 and 7 May 2024) and a high of S\$0.555 (on 30 June 2023, 11 and 12 July 2023) for the 3-year period prior to and including the Last Trading Day.

*Period prior to and up to the Holding Announcement Trading Halt*

For the period prior to and up to the Holding Announcement Trading Halt between 10 May 2022 and 21 June 2023 before the Company requested for a trading halt at 4.37 p.m. (Singapore time), we note that the Shares had closed at prices which ranged between a low of S\$0.255 (on 30 March 2023) and a high of S\$0.415 (on 21 June 2023).

We observe that the Shares were traded at the closing prices which ranged between S\$0.290 and S\$0.385 between the period between 10 May 2022 and 28 March 2023. The closing price of the Shares was at S\$0.320 on 28 March 2023 before it declined to S\$0.255 on 30 March 2023. Subsequently, the closing prices of the Shares had generally trended upwards to S\$0.415 on 21 June 2023, before the Company called for the Holding Announcement Trading Halt at 4.37 p.m. (Singapore time). We note that the Company had not made any announcement that may appear to have an impact to the share price of the Company on 30 March 2023.

*Period after the Cradle Investments Holding Announcement and up to the MOH Notice Announcement*

For the period after the Cradle Investments Holding Announcement and up to the MOH Notice Announcement between 26 June 2023 and 30 November 2023, we note that the Shares had closed at prices which ranged between a low of S\$0.390 (on 14 September 2023) and a high of S\$0.555 (on 30 June 2023, 11 and 12 July 2023)

We observed that following the Cradle Investments Holding Announcement, the closing price had closed at S\$0.500 on 26 June 2023 and had subsequently increased to a high of S\$0.555 on 30 June 2023 and the closing price of the Shares had remained relatively stable until end July 2023.



Since the beginning of August 2023 and up to the MOH Notice Announcement on 30 November 2023, the closing prices of the Shares had ranged between a low of S\$0.390 (on 14 September 2023) and a high of S\$0.500 (on 1 August 2023). It is to be noted that the Company had announced on 13 September 2023 that Cradle Investments had ceased its discussion on the Cradle Investments Possible Transaction.

We note that the Offer Price is below (a) the lowest closing price of the Shares of S\$0.255 on 30 March 2023 for the period prior to and up to the Holding Announcement Trading Halt, and (b) the lowest closing price of S\$0.390 on 14 September 2023 for the period after the Cradle Investments Holding Announcement and up to the MOH Notice Announcement.

**Shareholders should note that the aforementioned historical market price performance predates the MOH Notice Announcement on 30 November 2023. Such historical market price performance of the Company may not be reflective of the matters leading to the Notice from the MOH which are material and have a significant bearing on the Group's FY2024 financial.**

*Period after the MOH Announcement and prior to the Offer Announcement*

Subsequent to the MOH Announcement, the closing prices of the Shares had declined from S\$0.455 on 30 November 2023 to S\$0.310 on 1 December 2023. Since early December 2023 to February 2024, the prices of the Shares had closed between a low of S\$0.280 (on 15 February 2024 and 23 February 2024) and a high of S\$0.335 (on 4 December 2023), before the closing prices generally trended downwards to a low of S\$0.120 on 3 May 2024. It is to be noted that the Company had on 24 March 2024, announced that it had, amongst others, received a letter dated 23 February 2024 sent by SAC on behalf of NJXJK, that NJXJK was reviewing its shareholding in the Company with the possibility of making an offer for the Shares in the Company.

For the one-year period prior to the Offer Announcement and up to the Last Trading Day between 10 May 2024 and 9 May 2025, the closing prices of the Shares ranged between a low of S\$0.121 (on 28 August 2024) and a high of S\$0.175 (on 15, 16, and 17 October 2024). It is to be noted that (a) the Company had on 26 August 2024 announced that SAC had updated the Company that NJXJK had decided not to pursue the NJXJK Potential Offer, and (b) the Company had on 14 January 2024 announced that it was informed by MOH regarding the Renewal of Licenses under the Healthcare Services Act by the Director-General of Health for a period of one year with effect from 14 January 2025.

Based on the above, the Offer Price exceeds all the closing prices of the Shares for the one-year period prior to and including the Last Traded Day, and the highest closing price of the Shares was S\$0.175 during the one-year period.

The daily closing prices and daily trading volumes of the Shares for the period between the Last Trading Day and the Latest Practicable Date are set out below:

**Daily closing prices and daily trading volumes of the Shares for the period after the Last Trading Day and the Latest Practicable Date**



**Source:** LSEG Workspace and Company's announcements on the SGXNET

A summary of the salient announcements released by the Company during the aforementioned period has been set out below, and we have also marked certain dates of those announcements, which may appear to have had an impact on the closing price of the Shares as illustrated in the price chart above:

No.	Date	Event
<b>A1</b>	<b>13 May 2025</b>	PPCF announced the Offer Announcement and the presentation slides in relation to the Partial Offer, for and on behalf of the Offeror.
<b>A2</b>	<b>14 May 2025</b>	The Company announced that, <i>inter alia</i> , the technical analysis on the Additional Low-Risk Tanks Test Results were completed and a comprehensive and independent review of the results was undertaken by the Company. The process was expected to be completed in or around the later part of 2025. Accordingly, the Additional Low-Risk Tank Test Results would not be included in the Company's FY2024 audited financial statements.
<b>A3</b>	<b>22 May 2025</b>	The Company announced that PKF-CAP had issued a disclaimer of opinion in PKF-CAP's independent auditor's report dated 2025 in relation to the consolidated financial statements of the Group for FY2024. In addition, the Company announced the details and reasons for the material variances between the audited financial statements and the unaudited condensed interim financial statements for FY2024.
<b>A4</b>	<b>26 May 2025</b>	<p>The Company released its annual report for FY2024.</p> <p>On the same day, PPCF, for and on behalf of the Offeror, issued a clarification announcement regarding the relevant percentage of the Offeror's holdings in the Company which should be 10.07%, instead of 10.00% as previously announced.</p>

No.	Date	Event
A5	28 May 2025	PPCF announced, for and behalf of the Offeror, that the Offer Document, together with the accompanying relevant forms of acceptance in respect of the Partial Offer, had been despatched to the Shareholders.
A6	29 May 2025	The Company announced the appointment of the IFA for the purposes of the Partial Offer.

Based on the above, the closing prices of the Shares ranged between S\$0.240 and S\$0.270 with a total trading volume of approximately 4,152,000 Shares for the period after the Last Trading Day and the Latest Practicable Date. We note that there was trading in the Shares on all the 15 Market Days during this period (excluding the market days on which the Company requested for trading halts).

Save for 15 May 2025 when the closing price of the Shares was at a low of S\$0.240, we observe that the Offer Price is below the closing prices of the Shares which ranged between S\$0.255 (on 16 May 2025) and S\$0.270 (on 20-23 May 2025, 26-30 May 2025 and 3-4 June 2025).

We also set out below the premia implied by the Offer Price over / (to) the historical volume-weighted average price ("VWAP") for (a) the 3-year period prior to and including the Last Trading Day, and (b) the period after the Last Trading Day and up to the Latest Practicable Date:

	VWAP <sup>(1)</sup> (S\$)	Premium / (discount) of Offer Price over / (to) VWAP (%)	Highest closing price (S\$)	Lowest closing price (S\$)	Average daily trading volume <sup>(2)</sup> ("ADTV") ('000)	ADTV as a percentage of free float <sup>(2)(3)</sup> (%)
<b>Periods prior to and including the Last Trading Day</b>						
3-year	0.322	(22.4)	0.555	0.120	55.3	0.06
2-year	0.324	(22.8)	0.555	0.120	75.4	0.08
One-year	0.155	61.3	0.175	0.121	40.7	0.04
6-month	0.157	59.2	0.166	0.145	44.9	0.05
3-month	0.157	59.2	0.166	0.149	75.8	0.08
One-month	0.153	63.4	0.160	0.150	10.2	0.01
Last Trading Day	0.155 <sup>(4)</sup>	61.3	0.155	0.155	8.5	0.01
<b>Period the Last Trading Day and up to the Latest Practicable Date</b>						
After Offer Announcement and up to Latest Practicable Date	0.255	(2.0)	0.270	0.240	276.8	0.30
Latest Practicable Date	0.270 <sup>(5)</sup>	(7.4)	0.270	0.270	56.4	0.06

**Source:** LSEG Workspace and NCF's calculations

**Notes:**

- (1) The VWAP is weighted based on the average traded prices and traded volumes of the Shares for the relevant market days for each of the above periods.
- (2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the relevant period divided by the number of market days during that period, and excluding the married deals that were undertaken during the above periods.
- (3) Free float refers to approximately 93.7 million Shares or 36.56% held by the public (as defined in the listing



manual of the SGX-ST) for (a) the periods prior to and including the Last Trading Day, and (b) the period after the Last Trading Day and up to the Latest Practicable Date.

- (4) Refers to the closing price of the Shares on the Last Trading Day.
- (5) Refers to the closing price of the Shares on the Latest Practicable Date.

Our observations are set out below:

Periods prior to and including the Last Trading Day

- (a) the Offer Price represents:
  - (i) a discount of approximately 22.4% and 22.8% to the VWAP of the Shares for the 3-year and 2-year periods prior to and including the Last Trading Day respectively;
  - (ii) a significant premium of approximately 61.3%, 59.2%, 59.2%, 63.4% over the VWAP of the Shares for the one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively; and
  - (iii) a significant premium of approximately 61.3% over the closing price of the Shares of S\$0.155 on the Last Trading Day;
- (b) during the periods prior to and up to the Last Trading Day, the ADTV of the Shares ranged between 10,200 Shares and 75,800 Shares over the 3-year, 2-year, one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day, representing approximately 0.06%, 0.08%, 0.04%, 0.05%, 0.08% and 0.01% of the Company's free float respectively; and
- (c) as at the Last Trading Day, the ADTV of the Shares was approximately 8,500 Shares, representing approximately 0.01% of the Company's free float.

Period after the Last Trading Day and up to the Latest Practicable Date

- (a) the closing prices of the Shares ranged between S\$0.240 and S\$0.270 for the period after the Last Trading Day and up to the Latest Practicable Date, and the Offer Price represents (i) a marginal discount of approximately 2.0% to the VWAP of the Shares of S\$0.255 during the period, and (ii) a discount of approximately 7.4% to the closing price of the Shares of S\$0.270 on the Latest Practicable Date; and
- (b) the ADTV of the Shares was approximately 276,800 Shares, representing approximately 0.30% of the Company's free float.

Based on the above observations, we note that the trading of Shares appears to be relatively thin for the 3-year period prior to and including the Last Trading Day. For the period after Last Trading Day and up to the Latest Practicable Date, we observe that the VWAP and the ADTV of the Shares were higher *vis-à-vis* the VWAP and ADTV of the Shares for each of the periods prior to and including the Last Trading Day. Accordingly, it would appear that the market prices of the Shares may be supported by the Partial Offer subsequent to the Offer Announcement.

**Shareholders should note that (a) there is no assurance that the market prices of the Shares after the close of the Partial Offer may be maintained at the prevailing level as at the Latest Practicable Date, and (b) the past trading performance of the Shares should not in any way be relied upon as an indication or a promise of its future trading performance.**

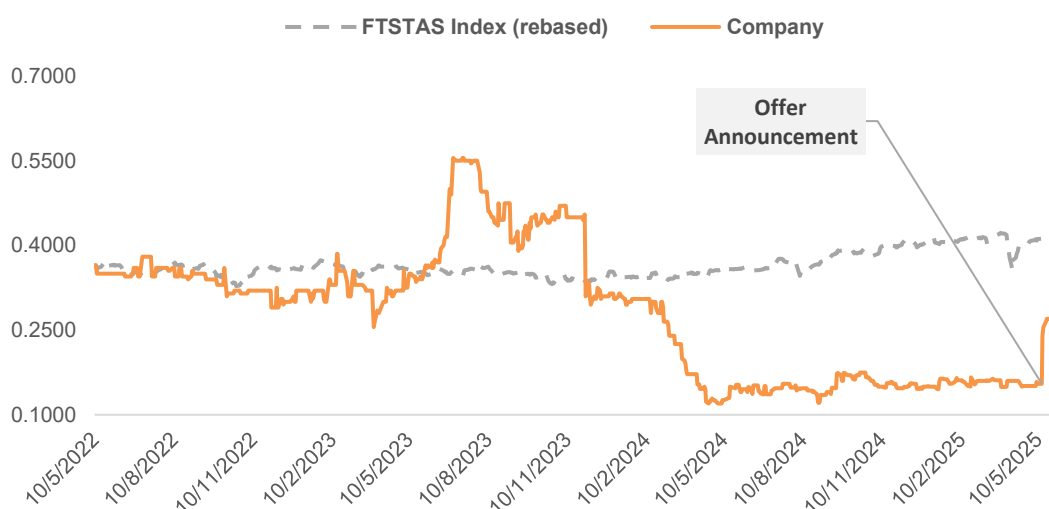
We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the prevailing economic conditions, economic outlook, stock market conditions and sentiment, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time.

### 6.3 Historical Share Price Performance Relative to Market Index

To gauge the market price performance of the Shares relative to the general price performance of the Singapore equity market, we have compared the market price movement of the Shares against the FTSE ST All-Share Index (the “**FTSTAS Index**”), which is a market capitalisation-weighted index tracking the performance of companies listed on the SGX-ST that are within the top 98% by market capitalisation.

The market price performance of the Shares relative to the FTSTAS Index for the period commencing 3 years prior to and including the Last Trading Day and ending on the Latest Practicable Date is illustrated below:

#### Share price performance against the FTSTAS Index (rebased) for the period commencing 3 years prior to and including the Last Trading Day and ending on the Latest Practicable Date



**Source:** LSEG Workspace and NCF's calculations

We set out below the movements in the closing prices of the Shares and the FTSTAS Index between the Last Trading Day and the Latest Practicable Date:

	As at Last Trading Day	As at Latest Practicable Date	Percentage change (%)
Shares (S\$)	0.155	0.270	74.2
FTSTAS Index	885.21	890.26	0.6

**Source:** LSEG Workspace and NCF's calculations

Based on the above, we note that:

- during the 3-year period prior to and including the Last Trading Day and up to the Latest Practicable Date, the Shares had generally underperformed the FTSTAS Index, save for the period between June 2023 to November 2023 which could possibly be attributable to, among others, the Cradle Investments Possible Transaction; and
- the closing prices of the Shares had significantly increased by approximately 74.2% while the FTSTAS Index had increased marginally by approximately 0.6% between the Last Trading Day and the Latest Practicable Date.

It would therefore appear that the market prices of the Shares may be supported by the Partial Offer subsequent to the Offer Announcement.

Shareholders should note that (a) there is no assurance that the market prices of the Shares after the close of the Partial Offer may be maintained at the prevailing level as at the Latest Practicable Date, and (b) the past trading performance of the Shares should not in any way be relied upon as an indication or a promise of its future trading performance. Any comparison of the historical price performance of the Shares with the FTSTAS Index is solely for illustrative purposes.

## 6.4 Historical Financial Position of the Group

### 6.4.1 Net asset value (“NAV”) and net tangible assets (“NTA”) of the Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all the liabilities of the group. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders’ equity.

The audited financial position of the Group as at 31 December 2024 is set out as follows:

	<b>Audited As at 31 December 2024 (S\$'000)</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	17,035
Investment properties	5,032
Intangible assets	29,803
Deferred tax assets	1,748
Investment in associate	3,644
Contract assets	58,421
Other receivables	12
Fixed deposits	6,343
<b>Total non-current assets</b>	<b>122,038</b>
<b>Current assets</b>	
Inventories	922
Prepayments	2,861
Trade receivables	25,162
Other receivables	4,155
Tax recoverable	1,153
Investments	5,960
Fixed deposits	43,122
Pledged fixed deposits	272
Cash and cash equivalents	11,497
<b>Total current assets</b>	<b>95,104</b>
<b>Total assets</b>	<b>217,142</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Current liabilities</b>	
Trade and other payables	16,488
Lease liabilities	1,894

	<b>Audited As at 31 December 2024 (S\$'000)</b>
Contract liabilities	10,463
Tax payable	85
<b>Total current liabilities</b>	<b>28,930</b>
<b>Net current assets</b>	<b>66,174</b>
<b>Non-current liabilities</b>	
Other payables <sup>(1)</sup>	1,002
Lease liabilities	531
Contract liabilities	64,423
Deferred tax liabilities	3,794
<b>Total non-current liabilities</b>	<b>69,750</b>
<b>Total liabilities</b>	<b>98,680</b>
<b>Equity attributable to owners of the Company</b>	
Share capital	94,468
Treasury shares	(12,194)
Accumulated profits	56,630
Other reserves	(20,695)
<b>Total equity attributable to owners of the Company</b>	<b>118,209</b>
Non-controlling interests	253
<b>Total equity</b>	<b>118,462</b>
<b>Total equity and liabilities</b>	<b>217,142</b>
Number of issued Shares as at 31 December 2024	256,307,744
<b>NAV per Share (S\$)</b>	<b>0.461</b>
<b>NTA per Share</b>	<b>0.345</b>
<b>Discount of Offer Price to NAV per Share</b>	<b>45.8%</b>
<b>Discount of Offer Price to NTA per Shares</b>	<b>27.5%</b>
<b>P/NAV ratio as implied by Offer Price</b>	<b>0.54 times</b>
<b>P/NTA ratio as implied by Offer Price</b>	<b>0.72 times</b>

*Source: Annual report of the Company for FY2024*

**Note:**

- (1) The Company made a provision amounting to S\$6.1 million under trade and other payables as at 31 December 2024 in relation to the Refunds/Waivers. Based on the discussions with the Management, we understand that this provision relates to customers who have not yet accepted the Refunds/Waivers. For customers who have accepted the Refunds/Waivers, the Revenue Reversal had been recognised in FY2024.

As set out in the table above, we note the following:

- (a) the NAV per Share as at 31 December 2024 was S\$0.461 based on 256,307,744 issued Shares. Accordingly, the Offer Price represents a significant discount of approximately 45.8% to the NAV per Share as at 31 December 2024 and would value the Group at a P/NAV ratio of 0.54 times; and
- (b) the NTA per Share as at 31 December 2024 was S\$0.345 based on 256,307,744 issued Shares. Accordingly, the Offer Price represents a discount of approximately 27.5% to the NTA per Share as at 31 December 2024 and would value the Group at a P/NTA ratio of 0.72 times.

Shareholders should note that the above NAV and NTA analysis provides an estimate of the value of the Group based on the net assets and net tangible assets of the Group as at 31 December 2024 respectively, and such hypothetical scenarios are assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically affect the NAV or NTA that can be realised. While the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market values of the assets and liabilities may vary depending on prevailing market and economic conditions.

#### 6.4.2 Ex-Cash NAV and NTA of the Group

The Group had recorded cash and cash equivalents, fixed deposits, and short-term investments which in aggregate amounted to approximately S\$67.2 million as at 31 December 2024. Taking into account the lease liabilities of the Group of approximately S\$2.4 million, the Group would have net cash of approximately S\$64.8 million as at 31 December 2024 which translates into approximately S\$0.253 per Share (the “**Net Cash per Share**”).

We have considered the adjustment to the NAV and NTA of the Group on an ex-cash basis. However, as the Net Cash per Share is slightly higher than the Offer Price, such adjustments to the Offer Price on an ex-cash basis would not be meaningful. Accordingly, we have not evaluated the P/NAV and P/NTA ratio on an ex-cash basis.

Based on our discussions with the Management, the cash balances are maintained in Singapore and in its overseas subsidiaries. There are currently no restrictions on the use of the cash, save for certain fixed deposits amounting to approximately S\$272,000 as at 31 December 2024, which are pledged for a banker's guarantee issued for an office lease. In addition, save for working capital purposes and the payment for the Refunds/Waivers, there are no material changes to the cash balances and short-term investments as at the Latest Practicable Date. For the avoidance of doubt, as adequate provisions had been made for the Refunds/Waivers, any payments for the Refunds/Waivers would not have a material impact to the NAV or NTA of the Group as at 31 December 2024.

As set out in paragraph 6.4.3 of the Letter below, Shareholders should note the Contingent Liabilities (as defined below) as disclosed by the Company. As at the Latest Practicable Date, we understand from the Directors and the Management that there is uncertainty on whether the Contingent Liabilities may result in any potential claims, fines and/or penalties to be imposed on the Group and/or would have a negative impact to the net cash position of the Group as at 31 December 2024.

#### 6.4.3 RNAV and RNTA of the Group

In our evaluation of the financial terms of the Partial Offer, we have also considered whether there are any assets of which value may be materially different from that recorded in the audited statement of financial position of the Group as at 31 December 2024, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group or announced by the Company that are likely to have a material impact on the NAV of the Group as at 31 December 2024.

Based on the discussions with the Management, we have set out below certain assets and liabilities of the Group as at 31 December 2024:

##### *Contract assets and contract liabilities*

Contract assets relate to the Group's rights to consideration for work completed in relation to the banking services of cord blood, cord lining and cord tissue for the customers but not billed by the Company, and accounted for approximately 26.9% of the Group's total assets as at 31 December 2024. The contract assets are tested for impairment loss and had been recorded in FY2024.

The Company announced that it had received the Additional Low-Risk Tanks Test Results and is undertaking a comprehensive and independent review of the results. The impact of such review is expected to be completed in or around the later part of 2025. As a result, it had been regarded as a contingent liability of the Group and one of the bases for the FY2024 Disclaimer of Opinion. The Directors and Management have confirmed that the Company would not be able to provide an estimate of the potential impact/outcome of the review in relation to the Addition Low-Risk Tank Results until the review has been completed, and the outcome may or may not result in a further impairment to the contract assets.

Save as disclosed, and to the best of their knowledge and belief as at the Latest Practicable Date, the Directors and Management are not aware of any further indicators of impairment on the contract assets that would require the Group to perform further impairment tests.

Contract liabilities relate to advance consideration received from customers for the rendering of cord blood, cord lining and cord tissue banking services, and accounted for 75.9% of the Group's total liabilities as at 31 December 2024. Following the Notice issued by the MOH to the Company, the Company had offered the Refunds/Waivers for Tank A and the High-Risks Tanks, which included approximately S\$0.8 million in contract liabilities relating to future storable obligations for affected customers.

#### *Trade receivables*

Trade receivables accounted for approximately 11.6% of the Group's total assets as at 31 December 2024. The trade receivables are tested for impairment loss, and the Company has recognised impairment losses in FY2024. The Directors and the Management have confirmed that the Company would not be able to provide the estimate of the potential impact/outcome of the review in relation to the Additional Low-Risk Tanks Test Results until the review has been completed, and the outcome may or may not lead to a further impairment to the trade receivables.

#### *Intangible assets*

Intangible assets comprise (a) customer contracts, (b) brand and goodwill, (c) computer software, (d) licence, (e) trademark and (f) work-in-progress, and accounted for approximately 13.7% of the Group's total assets as at 31 December 2024. We note that goodwill arising from the acquisition of Stemlife Berhad and Healthbaby Biotech (Hong Kong) Co., Limited constituted the main bulk of the intangible assets, and accounted for approximately 91.8% of the total intangible assets. Goodwill is subject to the impairment testing on an annual basis. As at 31 December 2024, no impairment loss has been made to the goodwill.

Save for the goodwill, the other intangible assets are stated at cost less accumulated amortisation, and the amortisation methods are reviewed at the end of each reporting period and adjusted if appropriate. Save for the amortisation made to the other intangible assets as at 31 December 2024, there are no impairment losses made to the other intangible assets.

#### *Investments*

Investments comprise (i) the Group's subscription for an interest-bearing Class A Redeemable Convertible Note ("**RCN**") from CellResearch Corporation Pte. Ltd. ("**CRC**"), and (ii) the Group's investments in money market funds. In aggregate, the Group's investments accounted for approximately 2.7% of the Group's total assets as at 31 December 2024.

The RCN was classified as an unquoted non-equity investment and is carried at fair value through profit or loss. The RCN has matured on 31 December 2024 and the principal amount of S\$4.2 million has been repaid to the Company as at the Latest Practicable Date. Based on the discussions with the Management, there remains accrued interests on the RCN, which the Management is of the view that such amount is recoverable. There are also no material changes to the investment in money market funds as at 31 December 2024 *vis-à-vis* the Latest Practicable Date. Accordingly, no adjustments to the Group's investments (including the investment in money market funds) is required.



### *Investment in associate*

Investment in associate refers to the Group's indirect shareholding of 39.61% held in Thai Stemlife Co., Ltd. by its 99.03%-owned subsidiary, Stemlife Berhad, and accounted for 1.7% of the Group's total assets as at 31 December 2024. The investment in associate is stated at cost and the consolidated financial statements would include the Group's share of profit or loss and other comprehensive income of the associate. As at 31 December 2024, there is no impairment loss made for the investment in associate.

### *Property, plant and equipment and investment properties*

Property, plant and equipment ("**PPE**") comprise furniture and fittings, laboratory equipment, office equipment, motor vehicles, leasehold improvements, buildings and construction-in-progress, and accounted for approximately 7.8% of the Group's total assets as at 31 December 2024. The PPE are stated at cost, less accumulated depreciation and impairment loss. The buildings ("**PPE Buildings**") constituted the main bulk of the total property, plant and equipment of the Group as at 31 December 2024, and accounted for approximately 63.8% of the Group's property, plant and equipment. We understand that the PPE Buildings consists of units in Singapore, India and Malaysia which are used for internal use as offices and laboratories.

Investment properties are held by the Group in Singapore and Malaysia, and accounted for approximately 2.3% of the Group's total assets. The investment properties are stated at fair values as determined based on the valuations performed as at 31 December 2024. We understand that the investment properties comprise properties held either to earn rental income or for capital appreciation or for both.

In connection with the Partial Offer, the Group has commissioned (a) PREMAS to conduct an independent valuation for the properties held by the Group in Singapore, (b) VPC to conduct an independent valuation for the properties held by the Group in Malaysia, and (c) Global Engineering Services to conduct an independent valuation for a property held by the Group in India (collectively, the "**Independent Valuers**"), to determine the market values of (i) the PPE Buildings (the "**Singapore PPE Buildings**") and investment properties (the "**Singapore Investment Properties**") in Singapore as at 4 June 2025, (ii) the PPE Buildings (the "**Malaysia PPE Buildings**") and investment properties (the "**Malaysia Investment Properties**") in Malaysia as at 3 June 2025, and (iii) the PPE Building in India as at 4 June 2025 (the "**India PPE Building**") respectively. Further details of the respective independent valuations including details of the properties and the valuation approaches, are set out in the Valuation Certificates and the Valuation Report as appended in Appendix G, H and I to the Circular, and Shareholders are advised to read the information carefully.

The details and valuation approach as well as the revaluation surplus (if any) arising from the independent valuations of the PPE Buildings and investment properties *vis-à-vis* their net book values as at 31 December 2024 are set out as follows:

	Net book value (S\$'000)	Market value (S\$'000) <sup>(1)(2)</sup>	Revaluation surplus / (deficit) (S\$'000)	Valuation approaches
<b><u>PPE Buildings</u></b>				
Singapore PPE Buildings	4,367	8,457	4,090	Direct comparison
Malaysia PPE Buildings	1,002	901	(102)	Comparison
India PPE Building	2,693	2,982	289	Land – Direct comparison Buildings – Replacement value
<b>Total PPE Buildings</b>	<b>8,063<sup>(2)(4)</sup></b>	<b>12,340</b>	<b>4,277</b>	

	Net book value (S\$'000)	Market value (S\$'000) <sup>(1)(2)</sup>	Revaluation surplus / (deficit) (S\$'000)	Valuation approaches
<b>Investment properties</b>				
Singapore Investment Properties	2,600	2,600	-	Direct comparison
Malaysia Investment Properties	2,432	2,427 <sup>(3)</sup>	(4) <sup>(3)</sup>	Comparison
<b>Total investment properties</b>	<b>5,032</b>	<b>5,027<sup>(3)</sup></b>	<b>(4)<sup>(3)</sup></b>	
<b>Total</b>	<b>13,095<sup>(4)</sup></b>	<b>17,367</b>	<b>4,272<sup>(4)</sup></b>	

**Notes:**

- (1) The exchange rates used for the market values as determined by the respective Independent Valuers in relation to the (a) properties in Malaysia are based on S\$1.00 : RM 3.298 as at the Latest Practicable Date, and (b) India PPE Building is based on S\$1.00 : Rs 66.719 as at the Latest Practicable Date.
- (2) Excludes the right-of-use assets which is recorded under the PPE Buildings which amounted to approximately S\$2.8 million.
- (3) For the avoidance of doubt, the differences between the book values as at 31 December 2024 and the market values as at 3 June 2025 are due to exchange rates differences.
- (4) Any discrepancy in the listed amounts and the totals thereof are due to rounding differences.

Under Rule 26.3 of the Code, the Group is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation.

Based on the independent valuations conducted by the Independent Valuers, the Management has confirmed the following, assuming a hypothetical scenario where the PPE Buildings and investment properties are disposed of at their respective valuation amounts:

- (a) in relation to the Singapore PPE Buildings and Singapore Investment Properties, the Company is not expected to record any tax liabilities as any gains on disposal should not be subject to tax;
- (b) in relation to the Malaysia Investment Properties, we understand from the Management that the potential tax liabilities arising from the hypothetical disposal of such properties would amount to approximately S\$121,000. The Company had previously commissioned independent valuations on the Malaysia Investment Properties for the purposes of the Group's FY2024 audit, and accordingly, had recorded deferred tax liabilities as at 31 December 2024 assuming the hypothetical sale of the Malaysia Investment Properties at the market values as determined by VPC.

As stated in the relevant Valuation Certificates dated 3 June 2025, VPC is of the opinion that there are no material differences in the market values of the Malaysia Investment Properties between the valuations conducted for the purposes of the Group's FY2024 audit and the valuations conducted for the purposes of the Partial Offer. Accordingly, no further potential tax liabilities have been made for the adjustment to the NAV or NTA of the Group as at 31 December 2024;

- (c) in relation to the Malaysia PPE Buildings, we understand from the Management that as there are no gains arising from the hypothetical disposal of the Malaysia PPE Building, the Company is not expected to record any potential tax liabilities; and



- (d) in relation to the India PPE Building, the estimated potential tax liability arising from the hypothetical disposal of the India PPE Building that may be incurred by the Group is approximately S\$43,300.

We understand that the PPE Buildings and investment properties (a) are held for long-term purposes and for internal use, and (b) there are currently no definitive plans for the Company to dispose of its interest in the investment properties and the PPE Buildings. Accordingly, any potential tax liabilities are not expected to materialise in the foreseeable future.

#### Contingent liabilities

Based on the Company's annual report for FY2024, contingent liabilities have been disclosed arising from the Notice issued by MOH (the "**Contingent Liabilities**"), which have been summarised below. Further details on the Contingent Liabilities are set out in the annual report of the Company for FY2024, and Shareholders are advised to read the information carefully.

#### *Status of claims against the Company*

In FY2024 and up to the Latest Practicable Date, the Company announced that it had received multiple claims and/or legal correspondences from its customers alleging the damage of the CBUs from Tank A and the High-Risk Tanks.

As at the Latest Practicable Date, the Company is in the process of seeking legal advice on such claims, and the status of the claims are still subject to change, as well as further determination with the relevant parties. Accordingly, the exposure from such claims remains uncertain and there is no certainty on the impact to the financial position of the Group.

#### *Investigations by the MOH and CAD*

In FY2024, the Company had received a letter from the MOH on a list of potential areas of non-compliance with the with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Services) Regulations that the MOH had identified based on its inspections conducted in FY2023. As at the Latest Practicable Date, the Company has not been notified of any fines and/or penalties to be imposed on the Company.

In FY2024, the Company was required from the CAD to provide certain documents and information in relation to the Investigations. Several Directors and the Chief Financial Officer of the Company were also arrested in connection with the Investigations and released on bail. As at the Latest Practicable Date, there are no updates on the Investigations carried out by CAD on the Company, the Directors and the Chief Financial Officer of the Company and no directives and/or penalties are imposed on the Company.

#### *Additional Testing of Low-Risk Tanks Results*

As set out above, the Directors and the Management have confirmed that the Company would not be able to provide an estimate of the potential impact / outcome of the review in relation to the Additional Low-Risk Tanks Test Results until the review has been completed, and the outcome / impact may or may not lead to a further impairment to the contract assets and trade receivables and or the cash balances.

In respect of the above, we understand from the Directors and the Management that as at the Latest Practicable Date, there is no certainty on whether the Contingent Liabilities would result in further claims, fines, penalties and/or financial obligations of the Company that may have a material impact to the NAV of the Group. Accordingly, no adjustments have been made to the NAV or NTA of the Group as at 31 December 2024. Shareholders should note that if any of the aforementioned claims, fines, penalties and/or other related financial obligations arising from the Contingent Liabilities materialise, the financial position of the Group as at 31 December 2024 may be adversely affected.

Based on the above, the relevant adjustments have been made to the NAV and NTA of the Group as at 31 December 2024 as follows:

	Adjustments to	
	NAV (S\$'000)	NTA (S\$'000)
NAV or NTA of the Group as at 31 December 2024	118,209	88,406
Add: Revaluation surplus	4,272	4,272
Less: Potential tax liabilities	(43)	(43)
RNAV or RNTA of the Group	122,438	92,635
<b>RNAV or RNTA per Share (S\$)</b>	<b>0.478</b>	<b>0.361</b>

Based on the above, we note that the Offer Price is at a significant discount of (a) approximately 47.7% to the RNAV per Share of S\$0.478, and would value the Group at a P/RNAV ratio of 0.52 times, and (b) approximately 30.7% to the RNTA per Share of S\$0.361, and would value the Group at a P/RNTA ratio of 0.69 times.

Shareholders should note that the RNAV and RNTA of the Group shown above are not necessarily a realisable value given that the RNAV and RNTA approach takes into account the surplus revaluation estimates based on the market values pursuant to the independent valuation of the properties, which also assume that such properties may be disposed of by the Group at the market values. There is no assurance that the revaluation surplus will eventually be recorded by the Group if such properties are eventually disposed of.

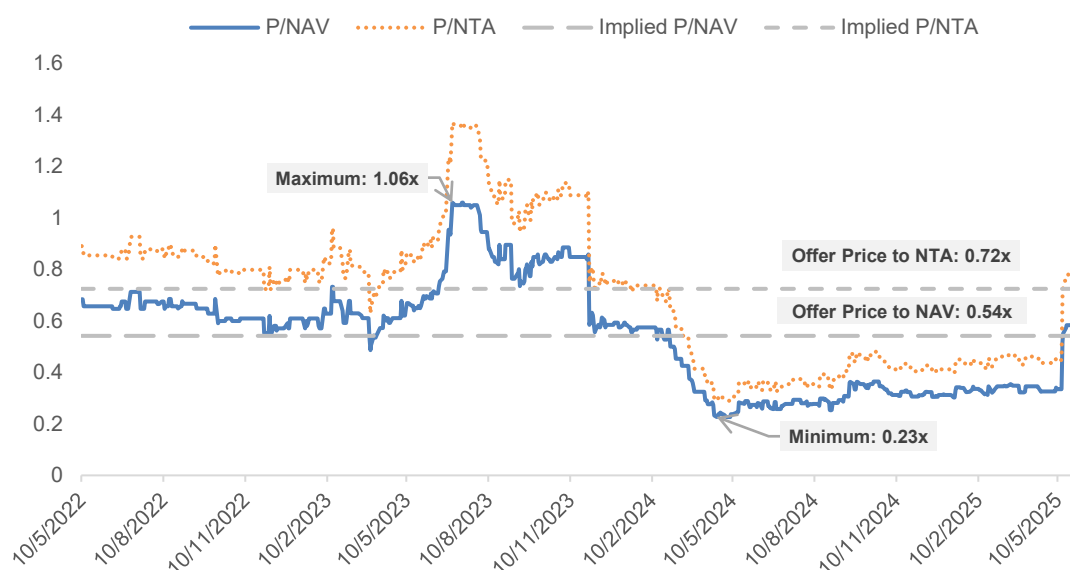
Save as disclosed above, the Directors and Management have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) there are no material differences between the realisable values of the Group's assets and their respective book values as at the Latest Practicable Date which would have a material impact on the NAV and NTA of the Group as at 31 December 2024;
- (b) there are no other contingent liabilities, bad or doubtful debts, impairment losses or material events which would likely have a material impact on the NAV and NTA of the Group as at 31 December 2024;
- (c) there are no litigation, claim or proceedings pending or threatened against the Company or the Group or likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and/or the Group as at 31 December 2024;
- (d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed, that would have had a material impact on the overall financial position of the Group as at 31 December 2024;
- (e) there are no material acquisitions or disposals of assets by the Group between 31 December 2024 and the Latest Practicable Date, and the Group does not have any definite plans for any such impending material acquisition or disposal of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business; and
- (f) they are not aware of any circumstances which may cause the NAV and NTA of the Group to be materially different from that recorded in the audited balance sheet of the Group as at 31 December 2024.

## 6.5 Historical trailing P/NAV and P/NTA Multiples of the Shares

We have compared the P/NAV and P/NTA multiples of the Shares as implied by the Offer Price *vis-à-vis* the historical trailing P/NAV and P/NTA multiples of the Shares respectively (based on the daily closing prices of the Shares and the Group's trailing announced NAV and NTA per Share) for the 3-year period prior to and including the Last Trading Day and ending on the Latest Practicable Date, and illustrated below:

### Historical trailing P/NAV and P/NTA multiples of the Shares for the period commencing 3 years prior to and including the Last Trading Day and ending on the Latest Practicable Date



**Source:** LSEG Workspace, the Company's announcements and NCF's calculations

The average, minimum and maximum of the historical P/NAV and P/NTA multiples of the Shares for the various periods commencing 3-year prior to and including the Last Trading Day and ending on the Latest Practicable Date are set out below:

	Historical trailing P/NAV multiples			Historical trailing P/NTA multiples		
	Average	High	Low	Average	High	Low
<b>Periods prior to and including the Last Trading Day</b>						
3-year	0.54	1.06	0.23	0.70	1.37	0.29
2-year	0.50	1.06	0.23	0.64	1.37	0.29
One-year	0.31	0.37	0.24	0.41	0.48	0.30
6-month	0.33	0.35	0.30	0.43	0.47	0.40
3-month	0.34	0.35	0.31	0.45	0.47	0.41
One-month	0.33	0.35	0.32	0.45	0.46	0.43
<b>Periods after the Last Trading Day and up to the Last Practicable Date</b>						
After the Last Trading Day and up to the Latest Practicable Date	0.55	0.58	0.34	0.73	0.78	0.45
Latest Practicable Date	0.58	0.58	0.58	0.78	0.78	0.78

Based on the above, we note that:

Periods prior to and including the Last Trading Day

- (a) the P/NAV multiple of the Shares as implied by the Offer Price of 0.54 times is approximately the same as the average historical trailing P/NAV multiple of the Shares for the 3-year period prior to and including the Last Trading Day, and is above the average historical trailing P/NAV multiples of the Shares for the 2-year, one-year, 6-month, 3-month and one-month periods up to and including the Last Trading Day of 0.50 times, 0.31 times, 0.33 times, 0.34 times, and 0.33 times respectively;
- (b) the P/NAV multiple of the Shares as implied by the Offer Price of 0.54 times is below the high of the historical trailing P/NAV multiples of the Shares for the 3-year and 2-year periods prior to and including the Last Trading Day of 1.06 times;
- (c) the P/NTA multiple of the Shares as implied by the Offer Price of 0.72 times is higher than the average historical trailing P/NTA multiples of the Shares for the 3-year, 2-year, one-year, 6-month, 3-month, and one-month periods prior to and including the Last Trading Day of 0.70 times, 0.64 times, 0.41 times, 0.43 times, 0.45 times and 0.45 times respectively; and
- (d) the P/NTA multiple of the Shares as implied by the Offer Price of 0.72 times is below the high of the historical trailing P/NTA multiples of the Shares for the 3-year and 2-year periods prior to and including the Last Trading Day of 1.37 times.

Period after the Last Trading Day and up to the Latest Practicable Date

- (a) the P/NAV multiple of the Shares as implied by the Offer Price of 0.54 times is (i) slightly below the average historical trailing P/NAV multiple of the Shares of 0.55 times for the period after the Last Trading Day and up to the Latest Practicable Date, and (ii) below the high of the historical trailing P/NTA multiple of the Shares of 0.58 times during the corresponding period; and
- (b) the implied P/NTA multiple of the Shares as implied by the Offer Price of 0.72 times is (i) slightly below the average historical trailing P/NTA multiple of the Shares of 0.73 times for the period after the Last Trading Day and up to the Latest Practicable Date, and (ii) below the high of the historical trailing P/NTA multiple of the Shares of 0.78 times during the corresponding period.

Shareholders should note that the above analysis is solely for illustrative purposes as the NAV or NTA of the Group is not necessarily a realisable value given that the market values of the net assets or net tangible assets may vary depending on, *inter alia*, prevailing market and economic conditions.

**6.6 Valuation ratios of Selected Companies which principal business activities are broadly comparable to those of the Group**

The Group is principally engaged in (a) the collection, processing and banking of biological materials including CBUs and stem cells, and (b) the provision of diagnostics testing services.

As discussed with the Management and to the best of their knowledge and belief, we understand that (a) companies having similar principal business activities and scale of business operations as the Group are generally unlisted, and (b) there are no companies listed on the SGX-ST which principal business activities may be considered to be similar to those of the Group. As such, we have considered and made reference to the valuation ratios of selected companies listed on securities exchanges in Asia with market capitalisations of less than S\$300 million (or equivalent in foreign currencies) and which are principally engaged in the provision of cord blood and stem cells banking services as broad proxies to the Group, to obtain an indication of the current market expectations with regard to the perceived valuation of the Group (collectively, the “Comparable Companies”).

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no company listed in Asia which is identical to the Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different profitability objectives. Shareholders should note that any comparison made with respect to the Comparable Companies merely serves to provide an illustrative perceived market valuation of the Group as at the Latest Practicable Date.

A brief description of the Comparable Companies is as follows:

Company / Listing exchange	Business description	Financial year-end
Medipost Co Ltd ("Medipost") / Korea Exchange	Medipost is a Korea-based company primarily engaged in the cord blood banking business. Medipost operates through 4 segments, with the Cord Blood Banking segment operating in the cord blood storage and haematopoietic stem cell transplantation.	31 December
Bionet Corporation ("Bionet") / Taiwan Stock Exchange	Bionet is a Taiwan-based company principally engaged in the storage and application of haematopoietic stem cells. Bionet's main products include umbilical cord blood stem cells, mesenchymal stem cells, adult peripheral blood stem cells and others. Bionet also provides precision medical application, prenatal testing and genetic testing services, and operates its businesses mainly in domestic market.	31 December
Meribank Biotech Co., Ltd ("Meribank") / Taiwan Stock Exchange	Meribank is a Taiwan-based company mainly engaged in the stem cell storage business. Meribank is engaged in the provision of, amongst others, cord blood (haematopoietic stem cells) storage and application services, placenta and umbilical cord (mesenchymal stem cells) storage and application services, and promotion of stem cell transplantation application, development of new stem cell processing technology and storage application services. Meribank also develops allogeneic umbilical cord mesenchymal stem cell manufacturing and therapeutic applications.	31 December
StemCell Institute Inc ("StemCell Institute") / Tokyo Stock Exchange	StemCell Institute is mainly engaged in the cell bank business, which separates and stores cord blood. StemCell Institute operates cell bank business from umbilical cord blood and umbilical cord, development of new treatment methods and regenerative medicine products, regenerative medicine and fertility treatment, business development and investment in childbirth and childcare areas.	31 March
Medeze Group PCL ("Medeze") / Stock Exchange of Thailand	Medeze is a Thailand-based company operating as a mesenchymal stem cell bank. It offers cord tissue and adipose tissue banking, in addition to cord blood banking. It is engaged in providing stem cell analysis, separation, cultivation and storage services. Medeze's segments include cord blood, placenta, adipose tissue, hair follicle, natural killer cells testing services, other, and sales of products.	31 December

**Source:** LSEG Workspace, annual reports and filings of the Comparable Companies

In our evaluation, we have adopted the following valuation measures:

Valuation ratio	Description
Latest twelve-month ("LTM") price-earnings ("LTM P/E") ratio	<p>The LTM P/E ratio illustrates the ratio of the market capitalisation of a company in relation to its historical consolidated full-year or LTM (as the case may be) net profit attributable to its shareholders. As such, it is affected by a company's capital structure, tax position and accounting policies relating to depreciation and intangible assets.</p> <p>We have considered the LTM P/E ratios of the Comparable Companies based on their respective market capitalisations on the Latest Practicable Date and their latest full-year or LTM (as the case may be) net profit attributable to shareholders.</p>
Latest twelve-month enterprise value-to-earnings before interest, taxes, depreciation and amortisation ("LTM EV/EBITDA") ratio	<p>EV refers to enterprise value, which is the sum of a company's market capitalisation, preferred equity, non-controlling interests, short-term and long-term debts less its cash and cash equivalents.</p> <p>LTM EBITDA refers to the historical consolidated full-year earnings or LTM (as the case may be) earnings before interest, taxes, depreciation and amortisation.</p> <p>The LTM EV/EBITDA ratio illustrates the ratio of the market value of a company's business in relation to its historical pre-tax operating cash flow performance.</p> <p>The LTM EV/EBITDA ratio is an earnings-based valuation methodology. The difference between the LTM EV/EBITDA ratio and the LTM P/E ratio (described above) is that the former does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.</p> <p>We have considered the LTM EV/EBITDA ratios of the Comparable Companies based on their respective market capitalisations on the Latest Practicable Date, latest-available balance sheet values and latest full-year or LTM (as the case may be) EBITDA.</p>
P/NAV ratio	<p>The P/NAV ratio refers to the ratio of the market capitalisation of a company in relation to its NAV. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company.</p> <p>The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.</p> <p>We have considered the P/NAV ratios of the Comparable Companies based on their respective market capitalisations on the Latest Practicable Date and their latest-available NAV.</p>

The valuation ratios of the Comparable Companies based on their respective last transacted share prices as at the Latest Practicable Date are set out below:

Comparable Companies	Market capitalisation (million)	LTM P/E (times)	LTM EV/EBITDA (times)	P/NAV (times)
Medipost	¥330,417	n.a. <sup>(1)</sup>	n.a. <sup>(1)</sup>	1.31
Bionet	NT\$3,497	45.69	41.93	2.78
Meribank	NT\$1,320	n.a. <sup>(1)</sup>	n.a. <sup>(1)</sup>	1.09
StemCell Institute	JPY11,138	28.87	12.34	4.24
Medeze <sup>(2)</sup>	฿7,156	20.19	15.48	2.39
<b>Maximum</b>		<b>45.69</b>	<b>41.93</b>	<b>4.24</b>
<b>Mean<sup>(3)</sup></b>		<b>31.58</b>	<b>13.91</b>	<b>2.36</b>
<b>Median<sup>(3)</sup></b>		<b>28.87</b>	<b>13.91</b>	<b>2.39</b>
<b>Minimum</b>		<b>20.19</b>	<b>12.34</b>	<b>1.09</b>

<b>Company</b>	<b>S\$64.1</b>	<b>n.a.<sup>(1)</sup></b>	<b>n.a.<sup>(1)</sup></b>	<b>0.54<sup>(4)</sup></b>
				<b>0.52<sup>(5)</sup></b>

**Source:** LSEG Workspace, annual reports and filings of the Comparable Companies and NCF's calculations

**Notes:**

- (1) n.a. denotes not applicable as the company was loss-making and recorded negative EBITDA in its trailing 12-month period.
- (2) The Offeror in relation to the Partial Offer is the wholly-owned subsidiary of Medeze.
- (3) Excludes Bionet as a statistical outlier in the computation of the mean and median for the LTM EV/EBITDA.
- (4) Based on the NAV per Share of S\$0.461 as at 31 December 2024.
- (5) Based on the RNAV per Share of S\$0.478 as at 31 December 2024.

Based on the above, we note that:

- (a) the Group had recorded a net loss attributable to equity holders of the Company and a negative EBITDA for FY2024, hence the P/E ratio (as implied by the Offer Price) and the EV/EBITDA ratio (as implied by the Offer Price) of the Company are not applicable;
- (b) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (a) below the range of P/NAV ratios of the Comparable Companies of between 1.09 times and 4.24 times, and (b) below the mean and median P/NAV ratios of the Comparable Companies of 2.36 times and 2.39 times respectively; and
- (c) the P/RNAV ratio of the Company of 0.52 times (as implied by the Offer Price) is (a) below the range of P/NAV ratios of the Comparable Companies of between 1.09 times and 4.24 times, and (b) below the mean and median P/NAV ratios of the Comparable Companies of 2.36 times and 2.39 times respectively.

## 6.7 Selected Precedent Take-over Offers Involving Companies Listed on the SGX-ST

The Offeror is making the Partial Offer to acquire 10.00% of the issued Shares in the Company (other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties). Accordingly, we have compared the valuation statistics of the Company (based on the Offer Price) *vis-à-vis* those of recent successful partial offers involving companies listed on the SGX-ST (collectively, the “**Precedent POs**”). As there are limited partial offers involving companies listed on the SGX-ST in the recent years, we have compared the valuation statistics of the Company (based on the Offer Price) *vis-à-vis* those successful Precedent POs announced on the SGX-ST during the 7-year period prior to the Offer Announcement for the purposes of evaluation of the Partial Offer:

Company name	Announcement date	Offer price (S\$)	Last transacted price (%)	Premium of offer price over <sup>(1)</sup>			Offer price to NTA/NAV (times)	Opinion of the IFA
				One-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)		
Thakral Corporation Ltd	4 March 2019	0.500	11.1	17.1	18.1	18.0	0.50	Accept – Fair and reasonable
Sevak Limited <sup>(2)</sup>	21 March 2019	4.000	5.9	9.3	9.8	18.7	1.13	Accept – Fair and reasonable
Procurri Corporation Limited	15 March 2021	0.365	23.7	24.4	17.1	18.0	2.05	Accept – Fair and reasonable
<b>Maximum</b>			<b>23.7</b>	<b>24.4</b>	<b>18.1</b>	<b>18.7</b>	<b>2.05</b>	
<b>Mean</b>			<b>13.6</b>	<b>16.9</b>	<b>15.0</b>	<b>18.2</b>	<b>1.23</b>	
<b>Median</b>			<b>11.1</b>	<b>17.1</b>	<b>17.1</b>	<b>18.0</b>	<b>1.13</b>	
<b>Minimum</b>			<b>5.9</b>	<b>9.3</b>	<b>9.8</b>	<b>18.0</b>	<b>0.50</b>	
<b>Company</b>	<b>13 May 2025</b>	<b>0.250</b>	<b>61.3</b>	<b>63.4</b>	<b>59.2</b>	<b>59.2</b>	<b>0.54<sup>(3)</sup></b> <b>0.52<sup>(4)</sup></b>	

### Notes:

- (1) The market premia were calculated based on the last transacted prices and relevant VWAPs of the respective target companies prior to the offer announcements.
- (2) On 1 February 2019, Sevak Limited announced the intention of its controlling shareholder, Smart Co. Holding Pte. Ltd., in making a possible partial offer for approximately 51% of the issued shares of Sevak Limited. The voluntary conditional cash partial offer for the shares in Sevak Limited was subsequently announced on 21 March 2019. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 1 February 2019, being the last undisturbed trading date.
- (3) Based on the Group's NAV per Share of S\$0.461 as at 31 December 2024.
- (4) Based on the Group's RNAV per Share of S\$0.478 as at 31 December 2024.



Based on the above, we note that:

- (a) the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (i) significantly above the range of premia of the Precedent POs of between 5.9% and 23.7%, and (ii) significantly above the corresponding mean and median premium of the Precedent POs of 13.6% and 11.1% respectively;
- (b) the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (i) significantly above the range of premia of the Precedent POs of between 9.3% and 24.4%, and (ii) significantly above the corresponding mean and median premium of the Precedent POs of 16.9% and 17.1% respectively;
- (c) the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (i) significantly above the range of premia of the Precedent POs of between 9.8% and 18.1%, and (ii) significantly above the corresponding mean and median premium of the Precedent POs of 15.0% and 17.1% respectively;
- (d) the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (i) significantly above the range of premia of the Precedent POs of between 18.0% and 18.7%, and (ii) significantly above the corresponding mean and median premium of the Precedent POs of 18.2% and 18.0% respectively;
- (e) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV/NTA ratios of the Precedent POs of between 0.50 times and 2.05 times, and (ii) below the corresponding mean and median offer price-to-NAV/NTA ratio of the Precedent POs of 1.23 times and 1.13 times respectively; and
- (f) the P/RNAV ratio of the Company of 0.52 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV/NTA ratios of the Precedent POs of between 0.50 times and 2.05 times, and (ii) below the corresponding mean and median offer price-to-NAV/NTA ratio of the Precedent POs of 1.23 times and 1.13 times respectively.

As it is the intention of the Offeror to maintain the Company's listing status on the SGX-ST, we have also compared the valuation statistics of the Company (based on the Offer Price) *vis-à-vis* those in respect of successful non-privatisation take-over offers of companies listed on the SGX-ST (excluding real estate investment trusts and business trusts) where the offeror indicated its intention to preserve the listing status of the target companies, which were announced between 1 January 2022 and the Offer Announcement Date, and completed as at the Latest Practicable Date, (collectively, the “**Precedent Non-Privatisations**”).

We have included the respective opinions of the IFAs regarding the fairness and reasonableness of the Precedent Non-Privatisations, and their recommendations on whether to accept or reject the offers. For a meaningful comparison, we have also considered the valuation statistics of the Precedent Non-Privatisations which were opined by their IFAs as “fair and reasonable” and “not fair but reasonable”, and had recommended shareholders to accept the offers in relation to the Precedent Non-Privatisation (the “**Accepted Precedent Non-Privatisations**”).

Company name	Announcement date	Premium/(Discount) of offer price over / (to) <sup>(1)</sup>						Opinion of the IFA
		Offer price (S\$)	Last transacted price (%)	One-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer price to NTA/NAV (times)	
Keong Hong Holdings Limited	21 January 2022	0.3840	3.8	7.9	11.1	11.0	0.50 <sup>(2)</sup>	Reject – Not fair and not reasonable
Procurri Corporation Limited	20 May 2022	0.4250	0.0	3.3	9.4	17.3	2.19 <sup>(3)</sup>	Accept – Fair and reasonable
Halcyon Agri Corporation Limited <sup>(4)</sup>	16 November 2022	0.4130	42.4	64.2	68.7	71.0	1.12 <sup>(3)</sup>	Accept – Fair and reasonable
Revez Corporation Ltd.	7 December 2022	0.0306	(66.0)	(65.6)	(67.0)	(69.7)	0.83 <sup>(3)</sup>	Reject – Not fair and not reasonable
Sunrise Shares Holdings Ltd.	10 July 2023	0.0218	(37.7)	(36.3)	(40.1)	(41.1)	1.20 <sup>(3)</sup>	Accept – Fair and reasonable
ICP Ltd.	11 July 2023	0.0070	(12.5)	(24.7)	(29.3)	(28.6)	0.90 <sup>(2)</sup>	Reject – Not fair and not reasonable
Datapulse Technology Limited	11 August 2023	0.0900	(2.2)	0.0	(0.0)	(1.1)	0.45 <sup>(5)</sup>	Reject – Not fair and not reasonable
Willas-Array Electronics (Holdings) Limited <sup>(6)</sup>	2 February 2024	HK\$3.300	75.4	77.5	77.3	63.2	0.62 <sup>(3)</sup>	Accept – Not fair but reasonable
No Signboard Holdings Ltd. <sup>(7)</sup>	28 March 2024	0.0021	(98.9)	(98.9)	(99.3)	(99.3)	n.m. <sup>(8)</sup>	Reject – Not fair and not reasonable
NSL Ltd. <sup>(9)</sup>	23 July 2024	0.7500	7.1	10.1	5.3	4.2	0.92 <sup>(10)</sup>	Accept – Not fair but reasonable
Nera Telecommunications Limited	4 September 2024	0.0750	(6.3)	(5.1)	(3.8)	(6.3)	0.56 <sup>(11)</sup>	Reject – Not fair and not reasonable
Dyna-Mac Holdings Limited	11 September 2024	0.6700 <sup>(12)</sup>	35.4	18.6	27.4	44.4	5.98 <sup>(13)</sup>	Accept – Fair and reasonable
Vibropower Corporation Limited	21 November 2024	0.0200	0.0	(9.1)	(20.0)	(9.1)	0.13 <sup>(2)</sup>	Reject – Not fair and not reasonable
HG Metal Manufacturing Limited <sup>(14)</sup>	16 December 2024	0.2660	(12.8)	(14.7)	(15.0)	(13.4)	0.47 <sup>(2)</sup>	Reject – Not fair and not reasonable

Company name	Announcement date	Offer price (S\$)	Premium/(Discount) of offer price over / (to) <sup>(1)</sup>				Offer price to NTA/NAV (times)	Opinion of the IFA
			Last transacted price (%)	One-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)		
Precedent Non-Privatisations								
Maximum			75.4	77.5	77.3	71.0	5.98	
Mean <sup>(15)(16)</sup>			2.1	2.0	1.8	3.4	0.82	
Median <sup>(15)(16)</sup>			0.0	0.0	0.0	1.1	0.73	
Minimum			(98.9)	(98.9)	(99.3)	(99.3)	0.13	
Accepted Precedent Non-Privatisations								
Maximum			75.4	77.5	77.3	71.0	5.98	
Mean <sup>(16)</sup>			20.4	22.9	24.7	26.5	1.21	
Median <sup>(16)</sup>			21.2	14.3	18.4	30.9	1.12	
Minimum			(37.7)	(36.3)	(40.1)	(41.1)	0.62	
Company	13 May 2025	0.2500	61.3	63.4	59.2	59.2	0.54 <sup>(17)</sup>	
							0.52 <sup>(18)</sup>	

**Notes:**

- (1) The market premia/(discounts) were calculated based on the last transacted prices and relevant VWAPs of the respective target companies prior to the offer announcements.
- (2) Based on the revalued NAV/NTA per share (as the case may be), as published in the respective circulars of the target companies.
- (3) Based on the NAV/NTA per share (as the case may be), as published in the respective circulars of the target companies.
- (4) On 16 November 2022, the pre-conditional mandatory cash offer for the issued shares in Halcyon Agri Corporation Limited ("Halcyon") at the offer price of US\$0.315 per share was announced (the "Halcyon Pre-Conditional Offer"), and the Offer Price will be denominated in Singapore Dollars only at the formal offer announcement. On 3 February 2023, the formal mandatory cash offer for the issued Shares in Halcyon at the offer price of S\$0.413 per share was announced. The market premia in the table above were computed based on the offer price of S\$0.413 per share and the share prices for the period(s) up to and including 11 November 2022, being the last undisturbed trading date prior to the Halcyon Pre-Conditional Offer.
- (5) Based on the adjusted revalued NAV per share and assuming all the outstanding warrants are exercised. On the assumption that all the outstanding warrants are not exercised, the adjusted offer price/revalued NAV per share would be 0.37 times as at 31 January 2023.
- (6) On 2 February 2024, the pre-conditional mandatory cash offer for the issued shares in Willas-Array Electronics (Holdings) Limited at the offer price of HK\$3.30 per share was announced (the "Willas-Array Pre-Conditional Offer"). On 11 July 2024, the voluntary conditional cash offer for the issued shares in Willas-Array at the offer price of HK\$3.30 (equivalent to S\$0.570 based on the exchange rate as at the date of the formal offer announcement) was announced. The market premia in the table above were computed based on the offer price of S\$0.570 per share and the share prices for the period(s) up to and including 1 February 2024, being the last undisturbed trading date prior to the Willas-Array Pre-Conditional Offer.

- (7) On 19 January 2022, No Signboard Holdings Ltd. ("**No Signboard**") requested for a trading halt as it was unable to demonstrate that it could continue as a going concern, in accordance with Rule 1303(3) of the SGX-ST Listing Manual Section B: Rules of Catalist which resulted in a voluntary suspension of trading in its shares on 24 January 2022 ("**No Signboard Suspension**"). Trading of the shares of No Signboard was resumed on 15 March 2024. The mandatory general offer for the issued shares of No Signboard was as a result of the allotment and issuance of new Subscription Shares and convertible redeemable preference shares to Gazelle Ventures Pte. Ltd. pursuant to the investment agreement entered into with Gazelle Ventures Pte. Ltd, in relation to an injection of up to S\$5.0 million as part of the debt restructuring scheme and emergency financing to address No Signboard's going concern issues. The market discounts in the table above were computed based on the share prices for the period(s) prior to the No Signboard Suspension.
- (8) n.m. denotes not meaningful as No Signboard recorded net liabilities as at 30 September 2023.
- (9) On 23 July 2024, the pre-conditional mandatory cash offer for the issued shares in NSL Ltd. ("**NSL**") at the offer price of S\$0.750 per share was announced (the "**NSL Pre-Conditional Offer**"). On 23 September 2024, the mandatory unconditional cash offer for the issued shares in NSL was announced. The market premia in the table above were computed based on the offer price of S\$0.750 per share and the share prices for the period(s) up to and including 23 July 2024, being the last undisturbed trading date prior to the NSL Pre-Conditional Offer.
- (10) The IFA for NSL Limited in relation to the mandatory unconditional cash offer had also derived a sum-of-parts valuation for NSL in relation to the offer and had determined the valuation of each share to be S\$0.88 for the lower valuation bound and S\$1.00 for the higher valuation bound. The offer price/NAV ratio in the table above was based on the RNAV of NSL Limited.
- (11) Based on the adjusted NAV/NTA per share (as the case may be), as published in the respective circulars of the target companies.
- (12) The offer price was revised from S\$0.600 to S\$0.670, as announced on 14 October 2024. The market share price premia in the table above were computed based on the revised final offer price of S\$0.670.
- (13) Based on the adjusted revalued NAV per share which includes the exercise of certain issued warrants from 1 July 2024 to 15 October 2024. On the assumption that all the remaining outstanding warrants are exercised, the adjusted offer price/revalued NAV per share would be 5.88 times as at 30 June 2024.
- (14) On 16 December 2024, the mandatory conditional general cash offer for the issued shares in HG Metal Manufacturing Limited ("**HG Metal**") was made following the obligation to make the offer as a consequence of the offeror's participation in HG Metal's renounceable non-underwritten rights issue as announced on 11 October 2024 (the "**HG Metal Rights Issue**"). The market premia in the table above were computed based on the offer price of S\$0.266 per share and the share prices for the period(s) up to and including 7 October 2024, being the last undisturbed trading date prior to the HG Metal Rights Issue.
- (15) Excludes No Signboard as a statistical outlier in (a) the computation of the mean and median premium/(discount) of the offer price over/(to) the last transacted price prior to offer announcement, and (b) the computation of the mean and median offer price-to-NAV/NTA ratios.
- (16) Excludes Dyna-Mac Holdings Limited as a statistical outlier in the computation of the mean and median offer price-to-NAV/NTA ratios.
- (17) Based on the Group's NAV per Share of S\$0.461 as at 31 December 2024.
- (18) Based on the Group's RNAV per Share of S\$0.478 as at 31 December 2024.

In respect of the Precedent Non-Privatisations, we note that:

- (a) the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 98.9% and a premium of 75.4%, and (ii) significantly above the corresponding mean premium of 2.1% and median of 0.0% of the Precedent Non-Privatisations;
- (b) the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 98.9% and a premium of 77.5%, and (ii) significantly above the corresponding mean premium of 2.0% and median of 0.0% of the Precedent Non-Privatisations;
- (c) the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 99.3% and a premium of 77.3%, and (ii) significantly above the corresponding mean premium of 1.8% and median of 0.0% of the Precedent Non-Privatisations;
- (d) the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 99.3% and a premium of 71.0%, and (ii) significantly above the corresponding mean and median premium of the Precedent Non-Privatisations of 3.4% and 1.1% respectively;
- (e) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of between 0.13 times and 5.98 times, and (ii) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of 0.82 times and 0.73 times respectively; and
- (f) the P/RNAV of the Company of 0.52 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of between 0.13 times and 5.98 times, and (ii) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of 0.82 times and 0.73 times respectively.

In respect of the Accepted Precedent Non-Privatisations:

- (a) the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (i) within the range of the Accepted Precedent Non-Privatisations of between a discount of 37.7% and a premium of 75.4%, and (ii) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 20.4% and 21.2% respectively;
- (b) the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of the Accepted Precedent Non-Privatisations of between a discount of 36.3% and a premium of 77.5%, and (ii) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 22.9% and 14.3% respectively;
- (c) the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of the Accepted Precedent Non-Privatisations of between a discount of 40.1% and a premium of 77.3%, and (ii) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 24.7% and 18.4% respectively;

- (d) the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of the Accepted Precedent Non-Privatisations of between a discount of 41.1% and a premium of 71.0%, and (ii) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 26.5% and 30.9% respectively;
- (e) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (i) below the range of offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of between 0.62 times and 5.98 times, and (ii) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of 1.21 times and 1.12 times respectively; and
- (f) the P/RNAV of the Company of 0.52 times (as implied by the Offer Price) is (i) below the range of offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of between 0.62 times and 5.98 times, and (ii) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of 1.21 times and 1.12 times respectively.

Shareholders should note that the level of premium (if any) an acquirer would normally pay in a take-over offer varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business (if any), the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the trading liquidity of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Consequently, each of the Precedent POs and the Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations) has to be judged on its own merits (or otherwise).

The list of Precedent POs and Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations) indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premia/discounts implied by the offer prices in respect of the Precedent POs and the Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations) over the aforementioned periods, and does not highlight bases other than the aforementioned in determining an appropriate premium/discount for the Precedent POs and the Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations). It should be noted that the comparison is made without taking into account the total amount of the offer value of each Precedent PO and Precedent Non-Privatisation (including the Accepted Precedent Non-Privatisations) or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcements and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to the making of the take-over offers. In addition, as some of the companies may have undertaken revaluations and/or adjustments to their assets for the purposes of the offers which may have a material impact on their last announced book values, we have also, where relevant, compared the offer price of such Precedent POs and Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations) with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the relevant companies as publicly disclosed, where available.

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent POs and Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations) and would therefore not be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Accordingly, it should be noted that the above comparison merely

serves as a general guide to provide an indication of the premium or discount in connection with the Precedent POs and the Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations). Therefore, any comparison of the Partial Offer with the Precedent POs and the Precedent Non-Privatisations (including the Accepted Precedent Non-Privatisations) is solely for illustrative purposes and any conclusions drawn from the comparisons may not necessarily reflect any perceived market valuation for the Company.

## 6.8 Estimated Theoretical Valuation of the Shares

In arriving at an estimated theoretical valuation of the Shares, we have considered an earnings-based valuation methodology (namely, the P/E and EV/EBITDA ratios) in consideration of the earnings-based nature of the Group's principal business. Taking into consideration that the Company had recorded a net loss in FY2024 and had recorded a negative EBITDA, the earnings-based valuation methodology would not be an appropriate valuation methodology.

We have also considered (a) the thin low trading liquidity of the Shares, (b) that the Shares have been consistently trading below its NAV per Share for the 3-year period prior to and including the Last Trading Day, and (c) that the VWAP of the Shares have exceeded the Offer Price for the period after the Last Trading Day and up to the Latest Practicable which could be supported by the Partial Offer. Accordingly, we have not used such market-based approach as it may not be an appropriate valuation methodology.

In view of the above, we have thus adopted the asset-based valuation methodology by applying the mean and median P/NAV ratios of the Comparable Companies, the Precedent POs and the Accepted Non-Privatisation Transactions to value the Group. The valuation statistics which we have considered in our analysis are as follows:

<b>Valuation methodology</b>	<b>Derived theoretical value (Low) (S\$' million)</b>	<b>Derived theoretical value (High) (S\$' million)</b>
RNAV as at 31 December 2024	122.4	122.4
Offer price-to-NAV/NTA ratios of Precedent POs <sup>(1)</sup>	138.4	150.6
Offer price-to-NAV/NTA ratios of Accepted Non-Privatisation Transactions <sup>(2)</sup>	137.1	148.1
P/NAV ratio of Comparable Companies <sup>(3)</sup>	289.0	292.6
<b>Derived theoretical valuation range (S\$' million)</b>	<b>122.4</b>	<b>150.6</b>
<b>Derived theoretical value per Share (S\$)<sup>(4)</sup></b>	<b>0.478</b>	<b>0.588</b>

### Notes:

- (1) Based on the mean and median P/NAV ratios of the Precedent POs of 1.23 times and 1.13 times respectively.
- (2) Based on the mean and median P/NAV ratios of the Accepted Precedent Transactions of 1.21 times and 1.12 times respectively.
- (3) Based on the mean and median P/NAV ratios of the Comparable Companies of 2.36 times and 2.39 times respectively. We note that Comparable Companies have a wider range of P/NAVs ratios, hence we have excluded the P/NAV ratios of the Comparable Companies as the derived theoretical values are clear statistical outliers.
- (4) The difference in the Estimated Theoretical Valuation Range was mainly due to the limited available meaningful parameters used as explained above. In addition, notwithstanding that mean and median P/NAV ratios of the Precedent POs and the Accepted Non-Privatisation Transactions are being used for the computation of the Estimated Theoretical Valuation Range, the circumstances underlying such transactions are also different. As set out in paragraph 6.7 of this Letter, there is no company which is identical to the Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base,



valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria, and such businesses may have fundamentally different profitability objectives, and (b) the P/NAV ratios of the companies in relation to the Precedent POs and the Accepted Non-Privatisation Transactions are based on the average premium paid by offerors for the SGX-listed companies (which principal businesses are not necessarily similar to those of the Group) in non-privatisation transactions to garnet a stake in such companies, which is dependent on, *inter alia*, the attractiveness of the underlying business to be acquired, the business synergies to be gained by the acquirer from integrating the target company's businesses with its existing business (if any), the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the trading liquidity of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations.

Based on the above, the overall range of the derived theoretical valuations is between approximately S\$122.4 million and S\$150.6 million, which translates into the derived theoretical value per Share of between S\$0.478 and S\$0.588 (the "**Estimated Theoretical Valuation Range**"). We note that the Offer Price is lower than the Estimated Theoretical Valuation Range.

## **6.9 Other Relevant Considerations**

### **6.9.1 Listing status of the Company**

The Partial Offer is made for the Offer Shares, which, if successful, will result in the Offeror and its Concert Parties holding approximately 10.68% of the total number of Shares (excluding treasury shares) as at the Closing Date.

**As set out in the Offer Document, the Offeror currently intends to maintain the listing status of the Company.**

### **6.9.2 No compulsory acquisition**

The Partial Offer, if successful, will not, as a result of the Partial Offer, acquire 90.00% or more of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees). Accordingly, the rights of compulsory acquisition pursuant to Section 215(1) of the Companies Act will not arise as a result of the Partial Offer.

### **6.9.3 Business outlook of the Group**

We note the following disclosure in the unaudited financial statements for FY2024 as announced by the Company on 1 March 2025. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the aforementioned announcement.

*"The Group remains confident about the cord blood banking industry's long-term growth potential, buoyed by the ongoing shift towards preventive and precautionary care over curative treatments<sup>1</sup>.*

*Over the past year, the Group has made significant upgrades to its processing and storage facility in Singapore, which include implementing an enhanced laboratory monitoring system to provide 24/7 real-time on-site and remote monitoring of key equipment. The Group has also increased laboratory and technical personnel, strengthened operational protocols, and established a Medical and Technical Advisory Board to provide guidance on best practices.*

*Reflecting these rectification efforts, Cordlife Singapore was granted approval from the Ministry of Health ("MOH") in August 2024 to resume operations in a controlled manner from 15 September 2024 to 13 January 2025, during which it could not collect, test, process, and/or store more than 30 new cord blood units per month. Subsequent to FY2024, the Company was issued with the cord blood banking and human tissue banking licences which are effective from 14 January 2025 and are valid for a period of one (1) year.*

*In view of the foregoing, the Company expects an improvement in the revenue streams to be contributed by the Group's Singapore business. The Group will continue to work closely with industry experts and regulators to strengthen processes even further.*



*Additionally, the Group will continue to expand its product and service offerings in Asia, enhance its ecosystem with doctors and hospitals in markets where it operates, and step up marketing and education initiatives on clinical applications of stem cells for various healthcare treatments.*

*The Group remains cautiously optimistic that, barring unforeseen circumstances the Group's financial performance in FY2025 will improve compared to FY2024. However, the pace of recovery could be hampered by uncertainties relating to the contingent liabilities as described in Note 6 and broader economic headwinds. In response, the Group will aim to maintain a strong balance sheet to buffer against economic, market and liability-related uncertainties."*

#### **6.9.4 Terminated Proposed Placement**

On 17 April 2024, the Company announced that it had entered into 2 separate subscription agreements dated 16 April 2024 with subscribers for the Proposed Placement to issue an aggregate of up to 51,195,478 new Shares at an issue price of S\$0.160 per Share (the "**Issue Price**"). The Issue Price of S\$0.160 represented (a) a premium of approximately 9.6% over the closing price of S\$0.146 on 15 April 2024, being the last full market day on which the Shares were traded prior to the date of the subscription agreements, and (b) a significant discount of approximately 69.7% to the unaudited NAV of the Group of S\$0.529 as at 31 December 2023 (the "**2023 NAV**").

In this regard, we note that (a) the Offer Price of S\$0.250 represents a significant premium of approximately 56.3% over the Issue Price of S\$0.160, and (b) the Issue Price is at a significant discount to the 2023 NAV of approximately 69.7% which is higher than the discount of the Offer Price to the NAV of the Group as at 31 December 2024 of approximately 45.8%. Shareholders should note that the Proposed Placement was subsequently terminated. Accordingly, any comparison between the Offer Price and the Issue Price is necessarily limited and merely serves as an illustrative purpose.

#### **6.9.5 Absence of competing offer**

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Partial Offer being made by the Offeror, no other third party has made a firm offer for the Company. We also note that there is no publicly available evidence of any alternative offer for the Offer Shares from any third party.

#### **6.9.6 Offeror's intentions for the Group**

As stated in the Offer Document, following the successful close of the Partial Offer, the Offeror *inter alia*, (a) will communicate with and endeavour to explore business opportunities with the Company to create long-term value and mutual benefit for both parties, (b) believes that there are long-term opportunities that could benefit both parties, and if a collaboration eventuates, the Offeror and the Company could explore opportunities to provide services to each other's customers which would help to strengthen their market position and network, and (c) will demonstrate its commitment to contribute positively to the Company as a long-term substantial shareholder which include engaging in constructive dialogue and partnerships to align on strategic priorities, governance, and operational enhancements that will benefit the Company's long-term success. Further details have been set out in the rationale for the Partial Offer set out in section 4 of the Circular, and Shareholders are advised to read the information carefully.

#### **6.9.7 Dividend track record of the Company**

We note that save for 2016, the Company had been declaring dividends since 2012 to 2022. The Company had last paid a one-tier tax-exempt cash dividend of S\$0.009 per Share in May 2022 in respect of FY2021.

As set out in the Company's annual report for FY2024, the Company does not have a dividend payment policy. In determining whether or not to pay an interim dividend or to recommend the

payment of a final dividend, the Directors will consider, amongst other things, the Company's expansion plans, existing projects and cash flow projections.

Shareholders should note that past dividend payouts should not be in any way relied upon as an indication or promise of the Company's future dividend payouts. There is no assurance that the Company will continue to pay dividend in future and/or maintain the level of dividends paid in the past financial years, after the completion of the Partial Offer.

## **7. OPINION AND ADVICE**

### **7.1 Our Opinion**

In arriving at our opinion on the financial terms of the Partial Offer, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (a) the historical financial performance of the Group, namely, that (i) the Group's revenue increased by approximately S\$0.6 million from approximately S\$55.2 million in FY2022 to approximately S\$55.7 million in FY2023 and subsequently, decreased to approximately S\$27.6 million in FY2024, and (ii) the Group's net profit attributable to owners of the Company decreased from approximately S\$4.9 million in FY2022 to approximately S\$3.5 million in FY2023 and the Group recorded a net loss of approximately S\$18.9 million in FY2024;
- (b) PKF-CAP had issued the FY2024 Disclaimer of Opinion and emphasis of matters in the independent auditors' report for FY2024. Notwithstanding, the Company believes that the use of the going concern assumption in the preparation of the financial statements for FY2024 is appropriate;
- (c) the Offer Price represents:
  - (i) a discount of approximately 22.4% and 22.8% to the VWAP of the Shares for the 3-year and 2-year periods prior to and including the Last Trading Day respectively;
  - (ii) a significant premium of approximately 61.3%, 59.2%, 59.2%, 63.4% over the VWAP of the Shares for the one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively;
  - (iii) a significant premium of approximately 61.3% over the closing price of the Shares of S\$0.155 on the Last Trading Day;
  - (iv) a marginal discount of approximately 2.0% to the VWAP of the Shares of S\$0.255 during the period after the Last Trading Day and up to the Latest Practicable Date; and
  - (v) a discount of approximately 7.4% to the closing price of the Shares of \$0.270 on the Latest Practicable Date;
- (d) during the 3-year period prior to and including the Last Trading Day and up to the Latest Practicable Date, the Shares had (i) generally underperformed the FTSTAS Index, save for the period between June 2023 to November 2023, and (ii) the closing prices of the Shares had significantly increased by approximately 74.2% while the FTSTAS Index had increased marginally by approximately 0.6% between the Last Trading Day and the Latest Practicable Date;
- (e) the Offer Price represents a significant discount of approximately (i) 45.8% to the NAV per Share of S\$0.461 as at 31 December 2024 and would value the Group at a P/NAV

ratio of 0.54 times, and (ii) 27.5% to the NTA Per Share of S\$0.345 as at 31 December 2024 and would value the Group at a P/NTA ratio of 0.72 times;

- (f) the Offer Price represents a significant discount of approximately (i) 47.7% to the RNAV per Share of S\$0.478 and would value the Group at a P/RNAV ratio of 0.52 times, and (ii) 30.7% to the RNTA per Share of S\$0.361 and would value the Group at a P/RNTA ratio of 0.69 times;
- (g) the Net Cash per Share of S\$0.253 is slightly above the Offer Price of S\$0.250;
- (h) the P/NAV multiple of the Shares as implied by the Offer Price of 0.54 times is (i) approximately the same as the average historical trailing P/NAV multiple of the Shares for the 3-year period prior to and including the Last Trading Day, and is above the average historical trailing P/NAV multiples of the Shares for the 2-year, one-year, 6-month, 3-month and one-month periods up to and including the Last Trading Day of 0.50 times, 0.31 times, 0.33 times, 0.34 times and 0.33 times respectively, and (ii) slightly below the average historical trailing P/NAV of the Shares of 0.55 times for the period after the Last Trading and up to the Latest Practicable Date;
- (i) the P/NTA multiple of the Shares as implied by the Offer Price of 0.72 times is (i) higher than the average historical trailing P/NTA multiples of the Shares for the 3-year, 2-year, one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day of 0.70 times, 0.64 times, 0.41 times, 0.43 times, 0.45 times and 0.45 times respectively, and (ii) slightly below the average historical trailing P/NTA of the Shares of 0.73 times for the period after the Last Trading Day and up to the Latest Practicable Date;
- (j) in respect of the Comparable Companies:
  - (i) the Group had recorded a net loss attributable to equity holders of the Company and a negative EBITDA for FY2024, hence the P/E ratio (as implied by the Offer Price) and the EV/EBITDA ratio (as implied by the Offer Price) of the Company are not applicable;
  - (ii) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) below the range of P/NAV ratios of the Comparable Companies of between 1.09 times and 4.24 times, and (bb) below the mean and median P/NAV ratios of the Comparable Companies of 2.36 times and 2.39 times respectively; and
  - (iii) the P/RNAV ratio of the Company of 0.52 times (as implied by the Offer Price) is (aa) below the range of P/NAV ratios of the Comparable Companies of between 1.09 times and 4.24 times, and (bb) below the mean and median P/NAV ratios of the Comparable Companies of 2.36 times and 2.39 times respectively;
- (k) in respect of the Precedent POs:
  - (i) the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (aa) significantly above the range of premia of the Precedent POs of between 5.9% and 23.7%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 13.6% and 11.1% respectively;
  - (ii) the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (aa) above the range of premia of the Precedent POs of between 9.3% and 24.4%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 16.9% and 17.1% respectively;
  - (iii) the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (aa)

significantly above the range of premia of the Precedent POs of between 9.8% and 18.1%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 15.0% and 17.1% respectively;

- (iv) the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (aa) significantly above the range of premia of the Precedent POs of between 18.0% and 18.7%, and (bb) significantly above the corresponding mean and median premium of the Precedent POs of 18.2% and 18.0% respectively;
- (v) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent POs of between 0.50 times and 2.05 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratio of the Precedent POs of 1.23 times and 1.13 times respectively; and
- (vi) the P/RNAV ratio of the Company of 0.52 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent POs of between 0.50 times and 2.05 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratio of the Precedent POs of 1.23 times and 1.13 times respectively;

(l) in respect of the Precedent Non-Privatisations:

- (i) the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (aa) within the range of the Precedent Non-Privatisations of between a discount of 98.9% and a premium of 75.4%, and (bb) significantly above the corresponding mean premium of 2.1% and median of 0.0% of the Precedent Non-Privatisations;
- (ii) the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Precedent Non-Privatisations of between a discount of 98.9% and a premium of 77.5%, and (bb) significantly above the corresponding mean premium of 2.0% and median of 0.0% of the Precedent Non-Privatisations;
- (iii) the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Precedent Non-Privatisations of between a discount of 99.3% and a premium of 77.3%, and (bb) significantly above the corresponding mean premium of 1.8% and median of 0.0% of the Precedent Non-Privatisations;
- (iv) the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Precedent Non-Privatisations of between a discount of 99.3% and a premium of 71.0%, and (bb) significantly above the corresponding mean and median premium of the Precedent Non-Privatisations of 3.4% and 1.1% respectively;
- (v) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of between 0.13 times and 5.98 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of 0.82 times and 0.73 times respectively; and
- (vi) the P/RNAV of the Company of 0.52 times (as implied by the Offer Price) is (aa) within the range of offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of between 0.13 times and 5.98 times, and (bb) below the

corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations of 0.82 times and 0.73 times respectively.

- (m) in respect of the Accepted Precedent Non-Privatisations:
- (i) the premium of approximately 61.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 37.7% and a premium of 75.4%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 20.4% and 21.2% respectively;
  - (ii) the premium of approximately 63.4% (as implied by the Offer Price) over the one-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 36.3% and a premium of 77.5%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 22.9% and 14.3% respectively;
  - (iii) the premium of approximately 59.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 40.1% and a premium of 77.3%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 24.7% and 18.4% respectively;
  - (iv) the premium of approximately 59.2% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of the Accepted Precedent Non-Privatisations of between a discount of 41.1% and a premium of 71.0%, and (bb) significantly above the corresponding mean and median premium of the Accepted Precedent Non-Privatisations of 26.5% and 30.9% respectively;
  - (v) the P/NAV ratio of the Company of 0.54 times (as implied by the Offer Price) is (aa) below the range of offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of between 0.62 times and 5.98 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of 1.21 times and 1.12 times respectively; and
  - (vi) the P/RNAV of the Company of 0.52 times (as implied by the Offer Price) is (aa) below the range of offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of between 0.62 times and 5.98 times, and (bb) below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations of 1.21 times and 1.12 times respectively.
- (n) the Offer Price is below the Estimated Theoretical Valuation Range of between S\$0.478 and S\$0.588 per Share;
- (o) the Company will remain listed on the SGX-ST after the close of the Partial Offer;
- (p) the Partial Offer will not result in the Offeror acquiring 90.00% or more of the Shares, and therefore, the right to exercise compulsory acquisition under Section 215(1) of the Companies Act will not apply;
- (q) the business outlook of the Group as set out in paragraph 6.9.3 of this Letter;
- (r) in relation to the terminated Proposed Placement, (i) the Offer Price represents a significant premium of 56.3% over the Issue Price, and (ii) the Issue Price is at a significant discount to the 2023 NAV of approximately 69.7%, which is higher than the



discount of the Offer Price to the NAV of the Group as at 31 December 2024 of approximately 45.8%;

- (s) as at the Latest Practicable Date, apart from the Partial Offer being made by the Offeror, no other third party has made a firm offer for the Company;
- (t) the Offeror's intentions of the Group as set out in paragraph 6.9.6 of this Letter; and
- (u) that save for in 2016, the Company had been declaring dividends since 2012 to 2022, and such dividend was last paid in May 2022 in respect of FY2021. Notwithstanding, the Company does not have a dividend payment policy and the declaration of such dividends are subject to, among others, the Company's expansion plans, existing projects and cash flow projections.

Having considered the aforementioned points including the various factors set out in this Letter and summarised in this section, we are of the opinion that as at the Latest Practicable Date, on balance, the financial terms of the Partial Offer are **not fair and not reasonable**.

In determining that the Partial Offer is **not fair**, we have considered the following pertinent factors:

- (i) notwithstanding that the Offer Price represents (aa) a significant premium over the closing price of the Shares on the Last Trading Day and (bb) a significant premium over the VWAP of the Shares for the one-year, 6-month, 3-month and one-month periods prior to and including the Last Trading Day respectively, the Offer Price represents a discount to the VWAP of the Shares for the 3-year and 2-year periods prior to and including the Last Trading Day respectively;
- (ii) the Offer Price represents (aa) a discount to the VWAP of the Shares for the period after the Last Trading Day and up to the Latest Practicable Date, and (bb) a discount to the closing price of the Shares as at the Latest Practicable Date;
- (iii) the Offer Price represents a discount to the NAV, NTA, RNAV and RNTA per Share as at 31 December 2024;
- (iv) the Net Cash per Share as at 31 December 2024 is slightly higher than the Offer Price; and
- (v) the Offer Price is below the Estimated Theoretical Valuation Range.

In determining that the Partial Offer is **not reasonable**, we have considered the following pertinent factors:

- (i) in respect of the Comparable Companies, the P/NAV ratio of the Company (as implied by the Offer Price) is below the mean and median P/NAV ratios of the Comparable Companies;
- (ii) in respect of the Precedent POs, notwithstanding that the premia of the Offer Price over the last transacted price of the Shares on the Last Trading Day and the one-month, 3-month and 6-month VWAP of the Shares for the period up to and including the Last Trading Day are significantly above the corresponding mean and median premia of the Precedent POs, the P/NAV and P/RNAV ratios of the Company (as implied by the Offer Price) are below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent POs;
- (iii) in respect of the Precedent Non-Privatisations, notwithstanding that the premia of the Offer Price over the last transacted price of the Shares on the Last Trading Day and the one-month, 3-month and 6-month VWAP of the Shares for the period up to and including the Last Trading Day are significantly above the corresponding mean and median premium of the Precedent Non-Privatisations, the P/NAV and P/RNAV ratios of the

Company (as implied by the Offer Price) are below the corresponding mean and median offer price-to-NAV/NTA ratios of the Precedent Non-Privatisations; and

- (iv) in respect of the Accepted Precedent Non-Privatisations, notwithstanding that the premia of the Offer Price over the last transacted price of the Shares on the Last Trading Day and the one-month, 3-month and 6-month VWAP of the Shares for the period up to and including the Last Trading Day are significantly above the corresponding mean and median premia of the Accepted Precedent Non-Privatisations, the P/NAV and P/RNAV ratios of the Company (as implied by the Offer Price) are below the corresponding mean and median offer price-to-NAV/NTA ratios of the Accepted Precedent Non-Privatisations.

## 7.2 Our Advice

Accordingly, we advise the Recommending Directors to recommend that Shareholders **reject** the Partial Offer.

The Recommending Directors should note that transactions of the Shares are subject to possible market fluctuations and accordingly, our opinion and advice on the Partial Offer do not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This Letter is addressed to the Recommending Directors for their benefit, in connection with and for the purposes of their consideration of the financial terms of the Partial Offer. The recommendation made by them to the Shareholders in relation to the Partial Offer shall remain the sole responsibility of the Recommending Directors.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case, except for the purposes of the Partial Offer. Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore and are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours truly,  
For and on behalf of  
**Novus Corporate Finance Pte. Ltd.**

Andrew Leo  
Chief Executive Officer

Lau Sze Mei  
Associate Director

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**APPENDIX B – ADDITIONAL GENERAL INFORMATION**

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**1. DIRECTORS**

The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Address</b>	<b>Designation</b>
Mr Zhai Lingyun	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Non-Independent Non-Executive Chairman
Ms Chen Xiaoling	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Group Executive Director
Mr Yiu Ming Yiu	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Non-Independent Non-Executive Director
Mr Chow Wai Leong	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Non-Independent Non-Executive Director
Dr Xu Tianhong	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Independent Director
Mr Gao Xiang	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Independent Director
Mr Sim Sze Kuan	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Independent Director
Dr Wang Xiaorui	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Independent Director
Ms Yuen Wai	c/o 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160	Independent Director

**2. REGISTERED OFFICE**

The registered office of the Company is 1 Yishun Industrial Street 1 #06-01/09, A'Posh BizHub Singapore 768160.

**3. HISTORY AND PRINCIPAL ACTIVITIES**

The Company was incorporated under the laws of Singapore on 2 May 2001. It was listed on the Mainboard of the SGX-ST on 29 March 2012.



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## APPENDIX B – ADDITIONAL GENERAL INFORMATION

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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 Group is headquartered in Singapore and its subsidiaries operate in India, Indonesia, Hong Kong, Macau, Malaysia, Philippines and Vietnam.

### 4. SHARE CAPITAL

#### 4.1. Issued Share Capital

As at the Latest Practicable Date the Company has one (1) class of shares, being ordinary shares. Based on the business profile of the Company extracted from ACRA on the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$99,325,262.75 comprising 256,307,744 Shares (excluding 11,217,610 Shares held in treasury).

There is no restriction in the M&AA on the right to transfer any Shares, which have the effect of requiring the holders of Offer Shares, before transferring them, to offer them to members of the Company or to any other person.

#### 4.2. Rights in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the M&AA. The provisions of the M&AA in respect of capital, dividends and voting have been extracted from the M&AA and reproduced in **Appendix J (Extracts from the M&AA)** to this Circular. All terms and expressions used in **Appendix J (Extracts from the M&AA)** to this Circular shall have the meanings ascribed to them in the M&AA.

#### 4.3. New Issues

As at the Latest Practicable Date, there has been no issue of new Shares by the Company since 31 December 2024, being the date to which the Company's last published audited financial statements were made up.

#### 4.4. Convertible Securities

The Cordlife Share Grant Plan is a share-based long-term incentive plan for key senior management and employees of the Group which was approved by Shareholders at an extraordinary general meeting of the Company held on 18 October 2013 and expired on 17 October 2023. As at the Latest Practicable Date, the Company has no share awards under the Cordlife Share Grant Plan capable of being vested or released into Shares<sup>2</sup>.

Save as disclosed above, as at the Latest Practicable Date, the Company has no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting Shares.

### 5. DISCLOSURE OF INTERESTS UNDER THE CODE

#### 5.1. Interests of the Company in the Offeror Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or deemed interests in the Offeror Securities.

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<sup>2</sup> There are 31,000 share awards which have vested in an employee of the Group but which have not been allotted and issued to such employee out of treasury shares as of the Latest Practicable Date.

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## APPENDIX B – ADDITIONAL GENERAL INFORMATION

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### 5.2. Dealings in the Offeror Securities by the Company

As at the Latest Practicable Date, neither the Company nor its subsidiaries have dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### 5.3. Interests of the Directors in the Offeror Securities

None of the Directors has any direct or deemed interest in the Offeror Securities.

### 5.4. Dealings in the Offeror Securities by the Directors

As at the Latest Practicable Date, none of the Directors has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### 5.5. Interests of the Directors in the Company Securities

None of the Directors has any direct or deemed interest in the Company Securities.

### 5.6. Dealings in the Company Securities by the Directors

None of the Directors has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### 5.7. Offeror Securities Owned or Controlled by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis, owns or controls any Offeror Securities.

### 5.8. Dealings in Offeror Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis, has dealt for value in any Offeror Securities.

### 5.9. Company Securities Owned or Controlled by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis, owns or controls any Company Securities.

### 5.10. Dealings in the Company Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis, has dealt for value in the Company Securities.

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## APPENDIX B – ADDITIONAL GENERAL INFORMATION

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### 6. OTHER DISCLOSURES

#### 6.1. Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no service contracts entered into or amended between any of the Directors or proposed directors with the Company or any of its subsidiaries during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### 6.2. Arrangements Affecting Directors

As at the Latest Practicable Date, save as disclosed in the Offer Document and this Circular:

- (a) there are no agreements, arrangements or understandings for any payment or other benefit to be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Partial Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Partial Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contracts entered into by the Offeror.

### 7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Group (including but not limited to the announcements released by the Company on the SGXNet and in the Company's annual reports), neither the Company nor any of its subsidiaries has entered into material contracts with Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

### 8. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Group (including but not limited to the announcements released by the Company on the SGXNet and in the Company's annual reports):

- (a) neither the Company nor its subsidiaries are engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group, taken as a whole; and
- (b) the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such litigation, claims or proceedings, which might materially and adversely affect the financial position of the Group, taken as a whole.

## APPENDIX B – ADDITIONAL GENERAL INFORMATION

### 9. SUMMARY OF FINANCIAL INFORMATION

As at the Latest Practicable Date, the latest audited consolidated financial statements of the Group are that for FY2024 and are set out in **Appendix C (Audited Consolidated Financial Statements of the Group for FY2024)** to this Circular.

#### 9.1. Consolidated Statement of Comprehensive Income

A summary of the audited consolidated statement of comprehensive income of the Group for FY2022, FY2023 and FY2024 is set out below.

	FY2024	Audited FY2023	FY2022
Revenue (S\$'000)	27,646	55,730	55,156
Net (loss)/profit before tax (S\$'000)	(18,980)	4,258	5,503
Net (loss)/profit after tax (S\$'000)	(18,876)	3,566	4,886
Net (loss)/earnings per Share (cents)	(7.37)	1.38	1.91
Minority interests	7	43	(1)
Net dividends per Share (cents)	-	-	-

The above summary is extracted from, and should be read in conjunction with, the annual reports of the Company for FY2022, FY2023 and FY2024 and their respective accompanying notes, copies of which are available for inspection at the Company's registered office as mentioned in paragraph 13 of this **Appendix B (Additional General Information)**.

#### 9.2. Consolidated Statements of Financial Position

A summary of the consolidated statements of financial position of the Group as at 31 December 2023 and 31 December 2024 is set out below.

	Audited as at 31 December 2024 S\$'000	2023 S\$'000
<b>Assets</b>		
<b>Current assets</b>		
Inventories	922	797
Prepayments	2,861	2,215
Trade receivables	25,162	22,672
Other receivables	4,155	3,170
Tax recoverable	1,153	1,105
Amounts owing by subsidiaries	-	-
Investments	5,960	5,855
Fixed deposits	43,122	40,731
Pledged fixed deposits	272	8,860
Cash and cash equivalents	11,497	18,423
<b>Total current assets</b>	<b>95,104</b>	<b>103,828</b>
<b>Non-current assets</b>		
Property, plant and equipment	17,035	16,271
Investment properties	5,032	4,736
Intangible assets	29,803	29,308

## APPENDIX B – ADDITIONAL GENERAL INFORMATION

	Audited as at 31 December 2024 S\$'000	2023 S\$'000
Deferred tax assets	1,748	858
Investment in subsidiaries	-	-
Investment in associate	3,644	2,218
Contract assets	58,421	62,556
Other receivables	12	10
Fixed deposits	6,343	8,671
<b>Total non-current assets</b>	<b>122,038</b>	<b>124,628</b>
<b>Total assets</b>	<b>217,142</b>	<b>228,456</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	16,488	13,161
Amounts owing to subsidiaries	-	-
Lease liabilities	1,894	1,813
Contract liabilities	10,463	8,852
Tax payable	85	500
<b>Total current liabilities</b>	<b>28,930</b>	<b>24,326</b>
<b>Non-current liabilities</b>		
Other payables	1,002	1,005
Amounts owing to subsidiaries	-	-
Lease liabilities	531	1,692
Contract liabilities	64,423	62,052
Deferred tax liabilities	3,794	3,730
<b>Total non-current liabilities</b>	<b>69,750</b>	<b>68,479</b>
<b>Total liabilities</b>	<b>98,680</b>	<b>92,805</b>
<b>Net assets</b>	<b>118,462</b>	<b>135,651</b>
<b>Equity attributable to owners of the Company</b>		
Share capital	94,468	94,468
Treasury shares	(12,194)	(12,194)
Accumulated profits	56,630	75,513
Other reserves	(20,695)	(22,453)
	118,209	135,334
<b>Non-controlling interests</b>	253	317
<b>Total equity</b>	<b>118,462</b>	<b>135,651</b>
<b>Total equity and liabilities</b>	<b>217,142</b>	<b>228,456</b>

The above summary is extracted from, and should be read in conjunction with, the annual reports of the Company for FY2023 and FY2024 and their respective accompanying notes, copies of which are available for inspection at the Company's registered office as mentioned in paragraph 13 of this **Appendix B (Additional General Information)**.

### 9.3. Significant Accounting Policies

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the

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## APPENDIX B – ADDITIONAL GENERAL INFORMATION

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Company for FY2024 and the announcements released by the Company on the SGXNet), there are no significant accounting policies or any matters from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

### 9.4. Changes in Accounting Policies

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2024 and the announcements released by the Company on the SGXNet), there is no change in the accounting policies of the Company which will cause the figures disclosed in this Circular not to be comparable to a material extent.

### 9.5. Material Changes in Financial Position

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Group (including but not limited to the announcements released by the Company on the SGXNet), there are no known material changes in the financial position of the Group since 31 December 2024, being the date of the Group's last published audited financial statements.

## 10. VALUATION CERTIFICATES

For the purposes of the Partial Offer, the Company had commissioned PREMAS to carry out an independent valuation of the Singapore Properties, VPC Alliance to carry out an independent valuation of the Malaysia Properties and Global Engineering Services to carry out an independent valuation of the India Property.

### 10.1. Singapore Properties

PREMAS concluded that the market values of the Singapore Properties owned by the Company as at 4 June 2025 are as follows:

	Property / Address	Type of Property	Freehold/Leasehold	Market Value based on the Singapore Valuation Certificate
1.	#05-05 MK 19 Lot U61164A	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$980,000
2.	#05-06 MK 19 Lot U61167X	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$831,000
3.	#05-07 MK 19 Lot U61170X	Investment Properties	Leasehold 60 years commencing from 26 August 2010	S\$831,000
4.	#05-08 MK 19 Lot U61173M	Investment Properties	Leasehold 60 years commencing from 26 August 2010	S\$831,000

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**APPENDIX B – ADDITIONAL GENERAL INFORMATION**

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	<b>Property / Address</b>	<b>Type of Property</b>	<b>Freehold/Leasehold</b>	<b>Market Value based on the Singapore Valuation Certificate</b>
5.	#05-09 MK 19 Lot U61176P	Investment Properties	Leasehold 60 years commencing from 26 August 2010	S\$938,000
6.	#06-01 MK 19 Lot U61256X	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$869,000
7.	#06-02 MK 19 Lot U61257L	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$695,000
8.	#06-03 MK 19 Lot U61258C	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$695,000
9.	#06-04 MK 19 Lot U61259M	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$709,000
10.	#06-05 MK 19 Lot U61260L	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$809,000
11.	#06-06 MK 19 Lot U61261C	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$695,000
12.	#06-07 MK 19 Lot U61262M	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$695,000
13.	#06-08 MK 19 Lot U61263W	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$695,000
14.	#06-09 MK 19 Lot U61264V	Property, Plant and Equipment – Buildings	Leasehold 60 years commencing from 26 August 2010	S\$784,000
<b>Total</b>				<b>S\$11,057,000</b>

**10.2. Malaysia Properties**

VPC Alliance concluded that the market values of the Malaysia Properties owned by Stemlife Properties Sdn Bhd, a 99.03% subsidiary of Stemlife Berhad which is in turn a 99.03% subsidiary of the Company, as at 3 June 2025 are as follows:

**APPENDIX B – ADDITIONAL GENERAL INFORMATION**

	<b>Property / Address</b>	<b>Type of Property</b>	<b>Freehold/ Leasehold</b>	<b>Market Value based on the relevant Malaysia Valuation Certificate</b>
1.	Geran 37731/ M1B/8/194, Parcel No. 194, Level No. 8, Building No. M1B, Lot No. 144, Seksyen 44, Bandar and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur	Property, Plant and Equipment – Buildings	Freehold	RM2,360,000
2.	Strata Title Geran 37731/ M1B/7/179, Parcel No. 179, Level No. 7, Building No. M1B, Lot No. 144 Seksyen 44, Bandar and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur	Investment Properties	Freehold	RM2,210,000
3.	Strata Title Nos PN 156554/M1/1/30 Parcel No. 30, Level No. 1, PN 156554/M1/2/72 Parcel No. 72, Level No. 2, PN 156554/M1/3/104 Parcel No. 104, Level No. 3 & PN 156554/M1/4/141 Parcel No. 141, Level No. 4, all in Building No. M1, Lot. 9863N, Bandar Ipoh(U), District of Kinta and State of Perak Darul Ridzuan <sup>3</sup>	Investment Properties (for Units B-1-8, B-2-8 and B-3-8)  Property, Plant and Equipment – Buildings (for Unit B-G-8)	Leasehold 99 years expiring 1 October 2102	RM1,435,000
4.	Strata Title Geran 58372/M1/7/27, Parcel No. 27, Level No. 7, Building No. M1, Lot No. 54301, Mukim and District of Kuala	Investment Properties	Freehold	RM770,000

<sup>3</sup> Unit Nos. B-G-8, B-1-8, B-2-8 and B-3-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan



## APPENDIX B – ADDITIONAL GENERAL INFORMATION

	Property / Address	Type of Property	Freehold/ Leasehold	Market Value based on the relevant Malaysia Valuation Certificate
	Lumpur and State of Wilayah Persekutuan Kuala Lumpur			
5.	Grant 19902 Lot No. 443, Section 4, Town of Georgetown, North East District, Penang	Investment Properties	Freehold	RM4,200,000

### 10.3. India Property

Global Engineering Services concluded that the fair market value of the India Property owned by Cordlife Sciences India Pvt. Ltd., a 99.99% subsidiary of CS Cell Technologies Pte. Ltd. which is in turn a 100% subsidiary of the Company, as at 4 June 2025 is as follows:

	Property / Address	Type of Property	Freehold/ Leasehold	Market Value based on the India Valuation Report
1.	Mouza- Bishnupur, J.L. No.30, Pargana - Magura, Touzi No.-1, P.S. - Bishnupur, Dist - South 24 Parganas, Under Paschim Bishnupur Gram Panchayat	Property, Plant and Equipment – Buildings	Freehold	Rs.1989.56 lacs

- 10.4. Please refer to the Singapore Valuation Certificate, the Malaysia Valuation Certificates and the India Valuation Report for further details of the valuation methodology. The Singapore Valuation Certificate is set out as **Appendix G (Singapore Valuation Letter)** to this Circular, the Malaysia Valuation Certificates are set out as **Appendix H (Malaysia Valuation Letters)** and the India Valuation Report is set out as **Appendix I (India Valuation Report)** to this Circular. Copies of the Singapore Valuation Certificate, the Malaysia Valuation Certificates and the India Valuation Report are also available for inspection at the registered office of the Company. Please refer to paragraph 13 of this **Appendix B (Additional General Information)** for further information.

The above valuations have been included as part of the IFA's consideration in the IFA Letter.

### 10.5. Potential Tax Liabilities

Under Rule 26.3 of the Code, the Company is required, among others, to make an assessment of any potential tax liabilities which would arise if the Singapore Properties, the Malaysia Properties and the India Property, which are the subject of the valuation given in connection with the Partial Offer, were to be sold at the amount of the valuation.

In relation to the Singapore Properties, the potential tax liability that will be incurred by the Group on such hypothetical disposals is nil as there is no capital gains tax in Singapore any gains on disposal

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## APPENDIX B – ADDITIONAL GENERAL INFORMATION

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should not be subject to tax.

In relation to the Malaysia Properties that are investment properties, the potential tax liability that will be incurred by the Group on such hypothetical disposals is approximately S\$121,000. The Company had previously commissioned independent valuations on the Malaysia Properties that are investment properties for the purposes of the Group's FY2024 audit, and accordingly, had recorded deferred tax liabilities as at 31 December 2024 assuming the hypothetical sale of the Malaysia Properties that are investment properties at the market values as determined by VPC Alliance.

In relation to the Malaysia Properties that are Property, Plant and Equipment – Buildings, the potential tax liability that will be incurred by the Group on such hypothetical disposals is nil as there are no gains on disposal.

In relation to the India Property that is a Property, Plant and Equipment – Building, the estimated potential tax liability that will be incurred by the Group on such hypothetical disposal is approximately S\$43,000.

### 11. COSTS AND EXPENSES

All expenses and costs incurred by the Company in relation to the Partial Offer will be borne by the Company.

### 12. CONSENTS

- 12.1. The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the IFA Letter set out as **Appendix A (IFA Letter)** to this Circular; (iii) the letter from the IFA in relation to the Statements of Prospects as set out in **Appendix D (Letter from the IFA in relation to the Statements of Prospects)** to this Circular and (iv) all references thereto, in the form and context in which they appear in this Circular.
- 12.2. The Auditors has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the letter from the Auditors in relation to the Statements of Prospects as set out as **Appendix E (Letter from the Auditors in relation to the Statements of Prospects)** to this Circular; and (iii) all references thereto, in the form and context in which they appear in this Circular.
- 12.3. PREMAS, the valuer commissioned by the Company to carry out a valuation of the Singapore Properties, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the Singapore Valuation Certificate set out as **Appendix G (Singapore Valuation Certificate)** to this Circular; and (iii) all references thereto, in the form and context in which they appear in this Circular.
- 12.4. VPC Alliance, the valuer of the Company commissioned to carry out a valuation of the Malaysia Properties, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the Malaysia Valuation Certificates set out as **Appendix H (Malaysia Valuation Certificates)** to this Circular; and (iii) all references thereto, in the form and context in which they appear in this Circular.
- 12.5. Global Engineering Services, the valuer of the Company commissioned to carry out a valuation of the India Property, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the India Valuation Report set out as **Appendix I (India Valuation Report)** to this Circular; and (iii) all references thereto, in the form and context in which they appear in this Circular.

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## APPENDIX B – ADDITIONAL GENERAL INFORMATION

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### 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours for the period during which the Partial Offer remains open for acceptance:

- (a) the M&AA;
- (b) the annual reports for FY2022, FY2023 and FY2024;
- (c) the IFA Letter set out as **Appendix A (IFA Letter)** to this Circular;
- (d) the letter from the IFA in relation to the Statements of Prospects as set out in **Appendix D (Letter from the IFA in relation to the Statements of Prospects)** to this Circular;
- (e) the letter from the Auditors in relation to the Statements of Prospects as set out as **Appendix E (Letter from the Auditors in relation to the Statements of Prospects)** to this Circular;
- (f) the Singapore Valuation Certificate as set out as **Appendix G (Singapore Valuation Certificate)** to this Circular;
- (g) the Malaysia Valuation Certificates as set out as **Appendix H (Malaysia Valuation Certificates)** to this Circular;
- (h) the India Valuation Report as set out as **Appendix I (India Valuation Report)** to this Circular;
- (i) the letter of consent of the IFA referred to in paragraph 12.1 of this **Appendix B (Additional General Information)**;
- (j) the letter of consent of the Auditors referred to in paragraph 12.2 of this **Appendix B (Additional General Information)**;
- (k) the letter of consent of PREMAS referred to in paragraph 12.3 of this **Appendix B (Additional General Information)**;
- (l) the letter of consent of VPC Alliance referred to in paragraph 12.4 of this **Appendix B (Additional General Information)**; and
- (m) the letter of consent of Global Engineering Services referred to in paragraph 12.5 of this **Appendix B (Additional General Information)**.

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**APPENDIX C – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
FY2024**

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We present this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2024.

In our opinion:

- (a) the financial statements set out on pages FS51 to FS118 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 of Singapore and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## Directors

The directors in office at the date of this statement are as follows:

Mr Zhai Lingyun	Chairman, 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
Dr Xu Tianhong	Independent Director (Appointed 14 May 2024)
Mr Gao Xiang	Independent Director (Appointed 14 November 2024)
Mr Sim Sze Kuan	Independent Director (Appointed 14 November 2024)
Dr Wang Xiaorui	Independent Director (Appointed 14 November 2024)
Ms Yuen Wai	Independent Director (Appointed 19 February 2025)

## Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 of Singapore (the "Act"), no director who held office at the end of the financial year (including those held by their spouses and children below the age of 18) had interests in shares, debentures or share options of the Company, or of its related corporations, either at the beginning of the financial year or at the end of the financial year.

There was no change in the interests in the Company between the end of the financial year and 21 January 2025.

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objectives is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## Share grant plans

At an Extraordinary General Meeting held on 18 October 2013, the shareholders of the Company approved the Cordlife Share Grant Plan (the "Plan") for the award of rights (the "Awards") to participants of the Plan to receive ordinary shares of the Company. Persons eligible to participate in the Plan comprise key senior management, employees of the Company and Non-Executive Directors at the absolute discretion of the Remuneration Committee (the "RC").

The performance targets to be set under the Plan are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The vesting period of the Awards ranges from 1 to 3 years. The final number of shares awarded will depend on the achievement of pre-determined performance conditions at the end of the vesting period. No shares will be released if the threshold targets are not met at the end of the vesting period. On the other hand, if superior targets are met, more shares than the initial award could be delivered, up to a maximum of 200% of the initial award. The plan expired on 17 October 2023.

Details of the Plan are disclosed in Note 28 of the financial statements.

## Audit and Risk Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Gao Xiang (Chairman)  
Ms Yuen Wai  
Mr Yiu Ming Yiu

All members of the Audit Committee were non-executive directors.

The Audit and Risk Committee (the “ARC”) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, including the following:

- Reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;
- Reviews the quarterly, half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management, via reviews carried out by the internal auditors;
- Meets with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes, and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditor;
- Reviews the nature and extent of non-audit services provided by the external auditor;
- Recommends to the Board of Directors the external auditor to be nominated, approves the compensation of the external auditor, and reviews the scope and results of the audit;
- Reports the actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of Singapore Exchange Securities Trading Limited's Listing Manual.

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened five meetings during the year. The ARC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARC are disclosed in the Corporate Governance Report.

**Auditor**

The auditor, PKF-CAP LLP, has expressed willingness to accept re-appointment.

On behalf of the Board of Directors

**Mr Zhai Lingyun**

*Director*

**Ms Chen Xiaoling**

*Director*

22 May 2025

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 2024, 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 FS51 to FS118.

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 Opening balances**

The independent auditor's report on the consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 December 2023 expressed a disclaimer of opinion. The extract of the basis for disclaimer of opinion is disclosed in Note 36 to the financial statements.

In view of the matters described in the *Basis for Disclaimer of Opinion* on the financial statements for the financial year ended 31 December 2023, we are unable to determine whether the opening balances as at 1 January 2024 are fairly stated. Since the opening balances as at 1 January 2024 enter into the determination of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 December 2024, we are unable to determine whether any adjustments might have been found necessary in respect of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 December 2024.

Our opinion on the current financial year's consolidated financial statements of the Group is also modified because of the possible effects of the above-mentioned matters on the comparability of the current year's figures and the corresponding figures.

#### **2 Going concern basis of preparation**

In preparation of the financial statements, the Board of Directors of the Company believes that the use of the going concern assumption is appropriate after taking into consideration the factors as disclosed in Note 2.1 to the financial statements.

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. On 14 January 2025, the Company's cord blood banking and human tissue banking licences were renewed for a period of one year, and the Company resumed full operations in Singapore. The Company announced on 2 April 2025 that it had received the full results from the Additional Low-Risk Tanks Test ("Additional Low-Risk Tanks Test Results") and was, together with its professional advisers and specialists, in the process of performing a technical analysis on the Additional Low-Risk Tanks Test Results. As at the date of this auditor's report, the technical analysis has been completed, and the findings are undergoing a comprehensive and independent review, to ensure greater accuracy and reliability of the Company's analysis. The process is expected to be completed in or around the later part of 2025. Since the outcome of the review of the Additional Low-Risk Tanks Test Results has yet to be finalised, there are no alternative audit procedures that can be performed. We are therefore unable to obtain sufficient appropriate audit evidence as to certain inputs and assumptions used in applying the going concern basis of preparation. In particular, these key inputs and assumptions include the timing and amount of the financial effects of refunds and claims by the potentially affected customers following the conclusion of the outcome of the review of the Additional Low-Risk Tanks Test Results and the timing and amount of the financial effects arising from possible fines and/or penalties following the conclusion of the investigation by MOH.



Certain subsidiaries of the Group require financial support from the Company. As mentioned above, we are unable to obtain sufficient audit evidence as to certain 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.

### 3 Refunds and claims

We refer to Note 2.1, where the Company updated on 2 April 2025 that it had received the Additional Low-Risk Tanks Test Results and was, together with its professional advisers and specialists, in the process of performing a technical analysis on such results. As at the date of this auditor's report, the technical analysis has been completed and the findings are undergoing a comprehensive and independent review, to ensure greater accuracy and reliability of the Company's analysis. The process is expected to be completed in or around the later part of 2025. We have not been able to obtain sufficient appropriate audit evidence as to the number of potentially affected customers whose cord blood has been confirmed to be damaged as the outcome of the review of the Additional Low-Risk Tanks Test Results has yet to be finalised as at the date of this auditor's report. Therefore, we are unable to quantify any adjustments that may need to be recorded in the Group and the Company's financial statements arising from any refunds and/or claims, both constructive and contingent as at 31 December 2024.

### 4 Valuation of trade receivables and contract assets

As at 31 December 2024, the Group's trade receivables and contract assets totalled \$25,162,000 (2023: \$22,672,000) and \$58,421,000 (2023: \$62,556,000) which accounted for 38.49% (2023: 37.31%) of the Group's total assets. During the financial year ended 31 December 2024, the Group has recognised impairment loss on trade receivables and contract assets amounted to \$1,373,000 (2023: \$294,000).

As disclosed in Note 2.1 to the financial statements, the Additional Low-Risk Tanks Test Results are currently undergoing a comprehensive and independent review. The outcome of this review may impact the recoverability of the trade receivables and contract assets. As the outcome of the review has yet to be finalised as at 31 December 2024, we are unable to obtain sufficient appropriate audit evidence to assess the adequacy of the expected credit loss allowance recognised by management. Consequently, we are unable to determine whether any adjustments to these trade receivables and contract assets, and the corresponding expected credit loss allowance, are necessary. Due to the significance of this matter, we have not been able to obtain sufficient appropriate audit evidence over the reasonableness of the management's recoverability assessment.

#### *Emphasis of Matters*

We draw attention to Note 34(a) to the financial statements which discloses that there are Tank A and High-Risk Tanks' customers who have not accepted the refund offered by the Company. As such, they may potentially still bring claims against the Company arising from its non-compliance with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Services) Regulations.

We also draw attention to Note 34(b) to the financial statements which indicates that the Company had been notified by the Ministry of Health ("MOH") on 22 January 2024 that a list of the potential areas of non-compliance with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Services) Regulations had been identified. On 14 January 2025, the Company was issued updated Licences, allowing it to resume full operations in Singapore for a period of one year. At this stage, MOH has not notified the Company of any fines and/or penalties and/or whether any further action regarding the identified non-compliances will be taken.

We also draw attention to Note 34(c) to the financial statements which indicates that several of its directors, former directors, the Chief Financial Officer and the Group Executive Director, were arrested by the Commercial Affairs Department ("CAD") and are currently under investigation in relation to a potential offence under the Securities and Futures Act 2001. The Company was informed that the offence relates to potential breaches of its disclosure obligations concerning the irregular temperatures of a certain cryogenic storage tank.

Our opinion is not modified in respect of the above matters.



# INDEPENDENT AUDITOR'S REPORT

## *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.

## *Auditor's 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 auditor's 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 auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Eng Kian.

### **PKF-CAP LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

22 May 2025

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

Year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Revenue	4	27,646	55,730
Cost of sales		(16,111)	(18,425)
<b>Gross profit</b>		11,535	37,305
Other operating income	5	396	586
Selling and marketing expenses		(14,684)	(19,332)
Administrative expenses		(21,249)	(18,968)
Finance income	6	3,436	3,420
Finance costs	6	(196)	(268)
<b>(Loss)/profit before income tax from operations</b>		(20,762)	2,743
Fair value gain on investment properties	12	161	252
Share of profit of associate, net of tax	10	1,621	1,263
<b>(Loss)/profit before income tax</b>		(18,980)	4,258
Tax credit/(expense)	8	104	(692)
<b>(Loss)/profit for the year</b>	7	(18,876)	3,566
<b>Other comprehensive income/(loss):</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,001	(2,491)
<b>Other comprehensive income/(loss) for the year</b>		2,001	(2,491)
<b>Total comprehensive (loss)/income for the year</b>		(16,875)	1,075
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		(18,883)	3,523
Non-controlling interests		7	43
		(18,876)	3,566
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		(16,885)	1,024
Non-controlling interests		10	51
		(16,875)	1,075
<b>(Loss)/Earnings per share (cents per share):</b>			
Basic	9	(7.37)	1.38
Diluted	9	(7.37)	1.37

The accompanying notes form an integral part of these financial statements.



# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		Group		Company	
	Note	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	11	17,035	16,271	5,981	6,112
Investment properties	12	5,032	4,736	2,600	2,433
Intangible assets	13	29,803	29,308	873	995
Deferred tax assets	22	1,748	858	1,406	415
Investment in subsidiaries	27	—	—	56,705	56,841
Investment in associate	10	3,644	2,218	—	—
Contract assets	4	58,421	62,556	35,383	38,788
Other receivables	16	12	10	—	—
Fixed deposits	19	6,343	8,671	—	—
		122,038	124,628	102,948	105,584
<b>Current assets</b>					
Inventories	17	922	797	151	207
Prepayments		2,861	2,215	1,126	879
Trade receivables	15	25,162	22,672	11,187	10,215
Other receivables	16	4,155	3,170	1,335	751
Tax recoverable		1,153	1,105	—	—
Amounts owing by subsidiaries	18	—	—	23,889	25,349
Investments	14	5,960	5,855	4,616	4,627
Fixed deposits	19	43,122	40,731	3,988	6,111
Pledged fixed deposits	19	272	8,860	—	—
Cash and cash equivalents	20	11,497	18,423	1,571	7,127
		95,104	103,828	47,863	55,266
<b>Total assets</b>		<b>217,142</b>	<b>228,456</b>	<b>150,811</b>	<b>160,850</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		Group		Company	
	Note	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current liabilities</b>					
Trade and other payables	21	16,488	13,161	8,983	5,930
Amounts owing to subsidiaries	18	—	—	939	3,036
Lease liabilities	26	1,894	1,813	365	411
Contract liabilities	4	10,463	8,852	3,791	3,691
Tax payable		85	500	—	—
		28,930	24,326	14,078	13,068
<b>Net current assets</b>		66,174	79,502	33,785	42,198
<b>Non-current liabilities</b>					
Other payables	21	1,002	1,005	—	—
Amounts owing to subsidiaries	18	—	—	13,232	12,846
Lease liabilities	26	531	1,692	20	386
Contract liabilities	4	64,423	62,052	10,539	12,013
Deferred tax liabilities	22	3,794	3,730	15	15
		69,750	68,479	23,806	25,260
<b>Total liabilities</b>		98,680	92,805	37,884	38,328
<b>Net assets</b>		118,462	135,651	112,927	122,522
<b>Equity attributable to owners of the Company</b>					
Share capital	23	94,468	94,468	94,468	94,468
Treasury shares	23	(12,194)	(12,194)	(12,194)	(12,194)
Accumulated profits		56,630	75,513	30,206	39,561
Other reserves	24	(20,695)	(22,453)	447	687
		118,209	135,334	112,927	122,522
<b>Non-controlling interests</b>		253	317	—	—
<b>Total equity</b>		118,462	135,651	112,927	122,522
<b>Total equity and liabilities</b>		217,142	228,456	150,811	160,850

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Merger reserve \$'000	Acquisition reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group		94,686	(12,554)	71,990	159	568	534	(11,931)	477	(9,867)	134,062	266	134,328
At 1 January 2023													
<b>Total comprehensive income for the year</b>		—	—	3,523	—	—	—	—	—	—	3,523	43	3,566
<b>Other comprehensive income/(loss)</b>		—	—	—	—	—	—	—	—	(2,499)	(2,499)	8	(2,491)
Foreign currency translation													
Total comprehensive income/(loss) for the year		—	—	3,523	—	—	—	—	—	(2,499)	1,024	51	1,075
<b>Transactions with owners, recognised directly in equity Contributions by and distributions to owners</b>													
Share-based compensation expense		—	—	—	248	—	—	—	—	—	248	—	248
Reissuance of treasury shares pursuant to equity compensation plan	23	(218)	360	—	(142)	—	—	—	—	—	—	—	—
Total contributions by and distributions to owners		(218)	360	—	106	—	—	—	—	—	248	—	248
At 31 December 2023		94,468	(12,194)	75,513	265	568	534	(11,931)	477	(12,366)	135,334	317	135,651

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Merger reserve \$'000	Acquisition reserve \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>		94,468	(12,194)	75,513	265	568	534	(11,931)	477	(12,366)	135,334	317	135,651
At 1 January 2024													
<b>Total comprehensive (loss)/ income for the year</b>		—	—	(18,883)	—	—	—	—	—	—	(18,883)	7	(18,876)
Loss for the year													
<b>Other comprehensive income</b>													
Foreign currency translation		—	—	—	—	—	—	—	—	1,998	1,998	3	2,001
Total comprehensive (loss)/ income for the year		—	—	(18,883)	—	—	—	—	—	1,998	(16,885)	10	(16,875)
<b>Transactions with owners, recognised directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Share-based compensation reversal		—	—	—	(240)	—	—	—	—	—	(240)	—	(240)
Dividends		—	—	—	—	—	—	—	—	—	—	(74)	(74)
Total contributions by and distributions to owners		—	—	—	(240)	—	—	—	—	—	(240)	(74)	(314)
At 31 December 2024		94,468	(12,194)	56,630	25	568	534	(11,931)	477	(10,368)	118,209	253	118,462

The accompanying notes form an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

Company	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Total equity \$'000
At 1 January 2023		94,686	(12,554)	38,486	422	159	121,199
<b>Total comprehensive income for the year</b>							
Profit for the year		—	—	1,075	—	—	1,075
Total comprehensive income for the year		—	—	1,075	—	—	1,075
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share-based compensation expense		—	—	—	—	248	248
Reissuance of treasury shares pursuant to equity compensation plan	23	(218)	360	—	—	(142)	—
Total contributions by and distributions to owners		(218)	360	—	—	106	248
At 31 December 2023		94,468	(12,194)	39,561	422	265	122,522
At 1 January 2024		94,468	(12,194)	39,561	422	265	122,522
<b>Total comprehensive loss for the year</b>							
Loss for the year		—	—	(9,355)	—	—	(9,355)
Total comprehensive loss for the year		—	—	(9,355)	—	—	(9,355)
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share-based compensation reversal		—	—	—	—	(240)	(240)
Total contributions by and distributions to owners		—	—	—	—	(240)	(240)
At 31 December 2024		94,468	(12,194)	30,206	422	25	112,927

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
(Loss)/profit before income tax		(18,980)	4,258
Adjustments for:			
Depreciation of property, plant and equipment	11	3,411	3,217
Amortisation of intangible assets	13	797	813
Impairment loss on trade receivables, net	7	1,373	294
Bad debts written off, net	7	379	-
Loss on disposal of property, plant and equipment		—	5
Interest income	6	(3,436)	(3,420)
Interest expense	6	196	268
Share-based compensation (reversal)/expense		(240)	248
Fair value gain on investment properties	12	(161)	(252)
Investment gain	5	(34)	(36)
Loss on financial asset at fair value through profit or loss		—	30
Share of profit of associate	10	(1,621)	(1,263)
Unrealised exchange loss		602	107
		(17,714)	4,269
Changes in:			
Trade receivables		(4,252)	2,240
Contract assets		4,052	850
Other receivables and prepayments		165	(65)
Inventories		(125)	565
Trade and other payables		3,364	3,839
Contract liabilities		3,007	(4,015)
Cash (used in)/generated from operations		(11,503)	7,683
Interest received		1,697	3,167
Income tax paid		(1,506)	(1,054)
<b>Net cash (used in)/from operating activities</b>		(11,312)	9,796

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(3,252)	(2,273)
Purchase of intangible assets		(146)	(558)
Proceeds from disposal of fixed assets		173	7
Dividend received from associate		440	466
Transfer to fixed deposits, net		883	(273)
<b>Net cash used in investing activities</b>		<u>(1,902)</u>	<u>(2,631)</u>
<b>Cash flows from financing activities</b>			
Transfer to pledged fixed deposits		8,556	—
Payment of lease liabilities		(2,029)	(1,592)
Interest paid		(196)	(268)
Dividends paid		(74)	—
<b>Cash flows generated from/(used in) financing activities</b>		<u>6,257</u>	<u>(1,860)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(6,957)	5,305
Cash and cash equivalents at beginning of the year		18,423	13,381
Effects of exchange rate changes on the balance of cash and cash equivalents		31	(263)
<b>Cash and cash equivalents at end of the year</b>	20	<u>11,497</u>	<u>18,423</u>

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 May 2025.

## 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”) that pursuant to an inspection carried out by MOH and its findings. MOH proposed to modify the conditions of the Company’s licences to suspend 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 customers in Singapore (the “Notice”). As stated in the Notice, the Company had 14 days to make representations to MOH in relation to the contents of the Notice. On 13 December 2023, the Company announced that it would not be submitting written representations to MOH. On 15 December 2023, the Company received a letter from MOH stating that MOH had considered the Company’s response to the Notice, and had decided to direct 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 was in connection with MOH’s findings that certain cryogenic storage tanks based in Singapore (the “Tanks”) had been exposed to temperatures outside of their normal temperature range, and to allow for further investigations.

From the end of December 2023, the Company sent donated cord blood samples from the Tanks to a third-party laboratory in Singapore licensed by MOH for testing in batches. On 30 November 2023, MOH’s expert panel also determined that the cord blood units (“CBUs”) in the seventh cryogenic storage tank (“Tank A” as referred to in the Notice) were unlikely to be suitable for stem cell transplant purposes. To support the affected customers, the Company offered to refund the annual fees received from the start of the temperature excursion and waive subsequent fees (“Refund/Waiver”) for all active customers whose CBUs are stored in this affected tank, as well as continuing to store CBUs for these customers until their child turns 21.

On 8 April 2024, the Company announced that after the initial round of testing on the donated CBUs from the six cryogenic storage tanks and one dry shipper (the “Testing Update Announcement”), five of the cryogenic storage tanks were assessed to be 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 showed cell viability and potency. As the last round of testing was a high-level preliminary impact assessment to ascertain the risk of the temperature excursions affecting the CBUs, the Company announced it would be sending over 200 samples, a statistically meaningful number of CBUs from the five Low-Risk Tanks, for testing to provide more assurance of the testing results (“Additional Testing of Low-Risk Tanks”).

The remaining one cryogenic storage tank (“Tank 6”) and the dry shipper were deemed by MOH’s expert panel to be at high risk of being adversely affected by the temperature excursions (the “High-Risk Tanks”). Based on the test results, as the Company could not be certain of the viability and potency of every CBU stored in the High-Risk Tanks, the CBUs were deemed to be at high risk of being adversely affected by temperature excursions.

## **2 Basis of preparation (cont'd)**

### **2.1 Going concern basis of accounting (cont'd)**

As the CBUs in the High Risk Tanks were deemed impacted, the Company offered a refund of the annual fees received from the start of the temperature excursion and to waive subsequent fees for all active customers whose CBUs are stored in the High-Risk Tanks. The Company also offered to continue storing CBUs for these customers until their child turns 21 (the "Refund/Waiver for High-Risk Tanks").

On 29 August 2024, the Company received a letter from the MOH, notifying that it may resume its cord blood banking service operations in a controlled manner, subject to 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.

This followed the MOH's findings that further inspections conducted in August 2024 showed that the Company had met the essential requirements necessary to resume its cord blood banking service operations, which included 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.

On 14 January 2025, the Company's cord blood banking and human tissue banking licences were renewed for a period of one year, and the Company resumed full operations in Singapore.

On 2 April 2025, the Company announced that it had received the full results from the Additional Low-Risk Tanks Test ("Additional Low-Risk Tanks Test Results") and was, together with its professional advisers and specialists, in the process of performing a technical analysis on the Additional Low-Risk Tanks Test Results. In May 2025, the Company announced that the technical analysis on the Additional Low-Risk Tanks Test Results has been completed and the Company is undertaking a comprehensive and independent review of the results. The Company understands that the process is expected to be completed in or around the later part of 2025.

While the outcome of the comprehensive and independent review of the Additional Low-Risk Tanks Test Results has yet to be finalised, 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 2024 is appropriate, taking into account the renewal of the Company's cord blood banking and human tissue banking licences, available cash and cash equivalents and fixed deposits, net working capital forecasts based on reasonably possible circumstances, surrounding these key assumptions:

- new customer sign-ups;
- cash outflow for refunds in respect of Tank A and the High-Risk Tanks;
- 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;
- claims from the Company's customers alleging the damage of cord blood units resulting from the Company's storage of the cord blood units; and
- fines and/or penalties imposed on the Company as a result of the Suspension and MOH investigation as well as any future claims from affected customers.

## 2 Basis of preparation (cont'd)

### 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.

### 2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 4 – revenue recognition: determination of stand-alone selling prices of performance obligations based on estimates used in the expected cost plus margin approach;
- Note 12 – fair value of investment properties: determination of fair value of investment properties based on the valuation technique and significant unobservable inputs;
- Note 13 – impairment of non-financial assets: key assumptions used for the recoverable amounts relating to impairment of goodwill;
- Note 30 – expected credit loss for financial assets: calculation of credit losses expected to be incurred over the lifetime of the receivables based on management assessment of the circumstances of and correspondences with individual customers and the application of a general loss rate based on historical experience and informed credit assessment alongside other factors; and
- Note 34 – provisions and contingent liabilities: determination of provisions for the constructive obligation arising from the results of Additional Testing of Low-Risk Tanks.

### 2.6 New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretation of SFRS(I) for the first time for the annual period beginning on 1 January 2024:

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current* and Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-7 and SFRS(I) *Supplier Finance Arrangements*

The application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

### **3 Material accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.6, which addresses changes in material accounting policies.

#### **3.1 Basis of consolidation**

##### **(i) Business Combination**

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities acquired includes, at a minimum, an input and substantive process and whether the acquired set as the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the consideration transferred (generally measured at fair value); plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally recognised at fair value) of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises is tested annually for impairment. When the excess is negative, a gain on bargain purchase is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected for each business combinations. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I).

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary..

##### **(ii) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests ("NCI") in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

## 3 Material accounting policies (cont'd)

### 3.1 Basis of consolidation (cont'd)

#### (iii) Investments in associate

An associate is an entity over which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in associate is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the equity-accounted associate, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

#### (iv) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (v) Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 3.2 Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss and presented within administrative expenses.

#### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.



### 3 Material accounting policies (cont'd)

#### 3.2 Foreign currency (cont'd)

##### (ii) Foreign operations (cont'd)

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is re-attributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

#### 3.3 Financial instruments

##### (i) Recognition and initial measurement

###### *Non-derivative financial assets and financial liabilities*

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### (ii) Classification and subsequent measurement

###### *Non-derivative financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

###### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## 3 Material accounting policies (cont'd)

### 3.3 Financial instruments (cont'd)

#### (ii) Classification and subsequent measurement (cont'd)

##### ***Non-derivative financial assets (cont'd)***

###### *Financial assets at FVTPL*

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### ***Financial assets: Business model assessment***

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### ***Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

### 3 Material accounting policies (cont'd)

#### 3.3 Financial instruments (cont'd)

##### (ii) Classification and subsequent measurement (cont'd)

***Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)***

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

***Non-derivative financial assets: Subsequent measurement and gains and losses***

*Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in 'other operating income' in the statement of comprehensive income.

*Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

***Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortised cost. These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. These financial liabilities comprised trade and other payables.

## 3 Material accounting policies (cont'd)

### 3.3 Financial instruments (cont'd)

#### (iii) Derecognition

##### *Financial assets*

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

##### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

#### (vi) Share capital

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

##### *Repurchase, disposal and reissue of share capital (treasury shares)*

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

### 3 Material accounting policies (cont'd)

#### 3.4 Property, plant and equipment

All items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amounts of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	–	3 to 5 years
Laboratory equipment	–	5 to 12 years
Office equipment	–	3 to 10 years
Motor vehicles	–	3 to 5 years
Leasehold improvement	–	3 to 7 years
Buildings	–	50 to 60 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

#### ***Reclassification to investment properties***

When the use of properties changes from owner-occupied to investment properties, the properties are remeasured to fair value and reclassified accordingly. Any gains arising on remeasurement are recognised in profit or loss to the extent that they reverse previous impairment losses on the specific properties, with any remaining gains recognised in OCI and presented in the revaluation reserve in equity. Losses are recognised immediately in profit or loss.

When the properties are sold, the related amounts in the revaluation reserve are transferred to retained earnings.

#### 3.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Costs include expenditures that are directly attributable to the acquisition of the investment properties. The costs of self-constructed investment properties include the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to working condition for their intended use and capitalised borrowing costs.

## 3 Material accounting policies (cont'd)

### 3.5 Investment properties (cont'd)

Any gains or losses on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the items) are recognised in profit or loss.

When the use of properties changes such that they are reclassified as property, plant and equipment, their fair values at the date of reclassification becomes their costs for subsequent accounting.

### 3.6 Intangible assets

#### (i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

#### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses.

#### (ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

#### (iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Customer contracts	-	12 to 20 years
Computer software	-	3 to 5 years
Brand	-	15 years
Licences and trademarks	-	3 to 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

### 3 Material accounting policies (cont'd)

#### 3.7 Leases (cont'd)

##### (i) As a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 3.5.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' in the statement of financial position.

##### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 3 Material accounting policies (cont'd)

### 3.7 Leases (cont'd)

#### (ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 3.9(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

### 3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on a weighted-average cost basis. Inventories mainly consist of materials used in the provision of cord blood, cord lining and cord tissue banking services.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 3.9 Impairment

#### (i) Non-derivative financial assets and contract assets

##### *Non-derivative financial assets*

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following basis:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument..

### 3 Material accounting policies (cont'd)

#### 3.9 Impairment (cont'd)

##### (i) Non-derivative financial assets and contract assets (cont'd)

###### ***Non-derivative financial assets (cont'd)***

###### *Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

###### *General approach*

The Group applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

###### *Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

###### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



## 3 Material accounting policies (cont'd)

### 3.9 Impairment (cont'd)

#### (i) Non-derivative financial assets and contract assets (cont'd)

##### *Non-derivative financial assets (cont'd)*

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

##### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

### **3 Material accounting policies (cont'd)**

#### **3.9 Impairment (cont'd)**

##### **(ii) Non-financial assets (cont'd)**

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **3.10 Employee benefits**

##### ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

##### ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

##### ***Employee equity compensation plans***

Employees (including senior executives) of the Group receive remuneration in the form of share awards as consideration for services rendered.

The grant date fair value of equity-settled share-based payment awards granted to employee is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

#### **3.11 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

## 3 Material accounting policies (cont'd)

### 3.12 Revenue

Revenue from cord blood, cord lining and cord tissue banking services is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual stand-alone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

### 3.13 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other operating income'. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other operating income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

### 3.14 Finance income and finance costs

Finance income comprises interest income on funds invested (including financial assets at FVTPL).

Finance costs comprise interest expense on borrowings that are recognised in profit or loss.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 3 Material accounting policies (cont'd)

#### 3.15 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

#### **Other taxes**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST") except:

- (a) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (b) receivables and payables that are stated with the amount of GST included.

## 3 Material accounting policies (cont'd)

### 3.15 Income tax (cont'd)

#### *Other taxes (cont'd)*

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### 3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

### 3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group Executive Director (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group Executive Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3.18 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because:

it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

### 3 Material accounting policies (cont'd)

#### 3.19 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following amendments to SFRS(I) are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- Amendments to SFRS(I) 1-1: *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s - Volume 11
- SFRS(I) 18: *Presentation and Disclosure in Financial Statements*
- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*

### 4 Revenue

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Rendering of cord blood, cord lining and cord tissue banking services	17,458	43,287
Finance income on contract assets	6,283	7,918
Rendering of other services	3,905	4,525
	<u>27,646</u>	<u>55,730</u>

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

#### Rendering of cord blood, cord lining and cord tissue banking services: processing revenue

Nature of goods or services	Collection, processing and testing of the cord blood, cord lining and cord tissue sample.
When revenue is recognised	Revenue is recognised upon completion of processing of the cord blood, cord lining and cord tissue sample.
Significant payment terms	Deferred payment plans that include annual instalments over 18 to 21 years, monthly instalment plans over 12 to 60 months or full upfront payment upon contract signing or customer delivery. Deferred payment plans have been determined to include a significant financing component. No significant financing component is recognised for upfront payments plans.
Obligations for refunds, if any	Refunds will be provided if no collection is done.
Obligations for warranties	Nil

## 4 Revenue (cont'd)

### Rendering of cord blood, cord lining and cord tissue banking services: storage revenue

Nature of goods or services	Cryopreservation of the cord blood, cord lining and cord tissue sample.
When revenue is recognised	Over the storage period.
Significant payment terms	Deferred payment plans that include annual instalments over 18 to 21 years, monthly instalment plans over 12 to 60 months or full upfront payment upon contract signing or customer delivery. Deferred payment plans have been determined to include a significant financing component. No significant financing component is recognised for upfront payments plans as these terms are designed for reasons other than provision of financing to the Group.
Obligations for refunds, if any	For full upfront payments, customers are entitled to refunds in certain countries on the prepaid storage component that has not been fulfilled, if the contract is terminated in accordance with the terms of the contract.
Obligations for warranties	Nil

### Rendering of other services: diagnostics testing services revenue

Nature of goods or services	Provision of diagnostics testing services
When revenue is recognised	Revenue is recognised based on the completion of testing and issuance of test report.
Significant payment terms	Invoices are due 30 days upon signing of agreement.
Obligations for refunds, if any	Nil
Obligations for warranties	Nil

### Contract balances

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contract assets	58,421	62,556	35,383	38,788
Contract liabilities – current	10,463	8,852	3,791	3,691
Contract liabilities – non-current	64,423	62,052	10,539	12,013

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on rendering of cord blood, cord lining and cord tissue banking services. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for the rendering of cord blood, cord lining and cord tissue banking services.

#### 4 Revenue (cont'd)

##### Contract balances (cont'd)

Significant changes in the contract assets and the contract liabilities balances during the year were as follows:

	<b>Contract assets</b>		<b>Contract liabilities</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	—	—	8,852	9,035
(Provision)/Reversal of impairment loss on contract assets	(327)	94	—	—

In the absence of observable market price, the Group determines the relative stand-alone selling prices allocated to each performance obligation, using the expected costs plus expected margins approach. Significant estimates are used in the determination of the expected costs and margins, and in making these estimates, management has relied on past experience and evidence. The expected cost inputs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

##### Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

<b>2024</b>	<b>2025-2029</b>	<b>2030-2034</b>	<b>2035-2039</b>	<b>2040-2044</b>	<b>&gt;2045</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rendering of cord blood, cord lining and cord tissue banking services: storage revenue	45,529	30,690	15,855	5,219	11,351	108,644
<b>2023</b>	<b>2024-2028</b>	<b>2029-2033</b>	<b>2034-2038</b>	<b>2039-2043</b>	<b>&gt;2044</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rendering of cord blood, cord lining and cord tissue banking services: storage revenue	46,543	33,306	18,357	5,991	10,323	114,520



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

## 5 Other operating income

	Group	
	2024	2023
	\$'000	\$'000
Rental income	107	98
Loss on disposal of property, plant and equipment and investment properties, net	—	(5)
Fair value gain on short-term investments, net	34	36
Grant income	125	208
Others	130	249
	<u>396</u>	<u>586</u>

## 6 Finance income and finance costs

	Group	
	2024	2023
	\$'000	\$'000
Interest income from fixed deposits	2,972	2,945
Interest income from investments	464	475
Finance income	<u>3,436</u>	<u>3,420</u>
Interest expense on lease liabilities	(196)	(268)
Finance costs	<u>(196)</u>	<u>(268)</u>

## 7 (Loss)/Profit for the year

The following items have been included in arriving at (loss)/profit for the year:

		Group	
	Note	2024	2023
		\$'000	\$'000
Employee benefits expense	28	20,771	22,009
Audit fees paid to auditors of the Company and other firms affiliated with PKF-CAP LLP (2023: KPMG International Limited)		496	631
Non-audit fees paid to auditors of the Company and other firms affiliated with PKF-CAP LLP (2023: KPMG International Limited)		9	35
Depreciation of property, plant and equipment	11	3,411	3,217
Amortisation of intangible assets	13	797	813
Impairment loss on trade receivables, net	30(i)	1,373	294
Bad debts, net		<u>379</u>	<u>—</u>

**8 Tax (credit)/expense**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Current tax expense</i></b>		
Current year	681	1,395
Under/(Over)-provision in respect of previous years	217	(285)
	<u>898</u>	<u>1,110</u>
<b><i>Deferred tax expense</i></b>		
Origination and reversal of temporary differences	(944)	(100)
Over-provision in respect of previous years	(58)	(318)
	<u>(1,002)</u>	<u>(418)</u>
	<u>(104)</u>	<u>692</u>
<b><i>Reconciliation of effective tax rate</i></b>		
(Loss)/Profit before income tax	(18,980)	4,258
Less: share of results of associate	(1,621)	(1,263)
(Loss)/Profit before share of results of associate and income tax	<u>(20,601)</u>	<u>2,995</u>
Tax using the Singapore tax rate of 17% (2023: 17%)	(3,502)	509
Effect of tax rates in foreign jurisdictions	1,597	(171)
Deferred tax assets not recognised	962	237
Non-deductible expenses	566	502
Tax-exempt income	(153)	(154)
Recognition of tax effect on previously unrecognised tax losses	(157)	—
Recognition of deferred tax on share of results of associate	389	303
Effect of partial tax exemption	(17)	(17)
Tax rebate	(40)	(40)
Under/(Over)-provision in respect of previous years	159	(603)
Others	92	126
	<u>(104)</u>	<u>692</u>

## 9 (Loss)/Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted-average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing profit attributable to owners of the Company by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following reflects the profit and share data used in the computation of basic and diluted earnings per share:

	Group	
	2024	2023
	\$'000	\$'000
(Loss)/Profit for the financial year attributable to owners of the Company	(18,883)	3,523
	'000	'000
Weighted-average number of ordinary shares for basic earnings per share computation	256,308	256,191
Effects of dilution – share grants	31	103
Weighted-average number of ordinary shares for diluted earnings per share computation	256,339	256,294

## 10 Investment in associate

	Group	
	2024	2023
	\$'000	\$'000
Shares, at cost	316	316
Share of post-acquisition results of associate	3,095	1,914
Other comprehensive income/(loss)	233	(12)
	3,644	2,218

Details of the associated company are as follows:

Name of company	Principal place of business/country of incorporation	Principal activity	Proportion of effective ownership interest	
			2024	2023
			%	%
<i>Held by Stemlife Berhad</i>				
Thai Stemlife Co., Ltd <sup>1</sup>	Thailand	Cord blood banking services	39.61	39.61

<sup>1</sup> Audited by KPMG Phoomchai Audit Ltd

## 10 Investment in associate (cont'd)

The summarised financial information of the associate, based on its financial statements prepared in accordance with SFRS(I), amended for fair value adjustments on acquisition was as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue for the financial year	10,972	8,105
Net profit for the financial year	4,053	3,157
Other comprehensive income/(loss) for the financial year	610	(424)
<b>Total comprehensive income attributable to associate's shareholders</b>	<b>4,663</b>	<b>2,733</b>
Non-current assets	1,808	1,544
Current assets	11,430	7,387
Non-current liabilities	(1,787)	(1,586)
Current liabilities	(2,342)	(1,799)
<b>Net assets</b>	<b>9,109</b>	<b>5,546</b>
<b>Carrying amount of interest in associate at beginning of the year</b>	<b>2,218</b>	<b>1,513</b>
Group's share of:		
- profit for the year	1,621	1,263
Other comprehensive income/(loss)	245	(92)
Dividend received during the year	(440)	(466)
<b>Carrying amount of interest in associate at end of the year</b>	<b>3,644</b>	<b>2,218</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

## 11 Property, plant and equipment

	Furniture and fittings \$'000	Laboratory equipment \$'000	Office equipment \$'000	Motor vehicles \$'000	Leasehold improvement \$'000	Buildings \$'000	Construction- in-progress \$'000	Total \$'000
<b>Group</b>								
<b>Cost</b>								
At 1 January 2023	1,288	11,050	3,650	198	5,023	17,115	184	38,508
Additions	35	980	336	—	698	3,157	124	5,330
Disposals	(58)	(81)	(136)	—	(79)	—	—	(354)
Transfer from construction- in-progress	—	130	—	—	—	—	(130)	—
Exchange rate adjustments	(16)	(221)	(57)	(5)	(101)	(332)	(2)	(734)
At 31 December 2023	1,249	11,858	3,793	193	5,541	19,940	176	42,750
At 1 January 2024	1,249	11,858	3,793	193	5,541	19,940	176	42,750
Additions	21	1,359	389	—	210	862	1,319	4,160
Disposals	(2)	(674)	(257)	—	(15)	—	(3)	(951)
Derecognition of right-of- use asset	—	(26)	(124)	—	—	(3,408)	—	(3,558)
Transfer from construction- in-progress	—	515	14	—	364	—	(893)	—
Exchange rate adjustments	20	203	27	7	135	370	(47)	715
At 31 December 2024	1,288	13,235	3,842	200	6,235	17,764	552	43,116
<b>Accumulated depreciation</b>								
At 1 January 2023	1,208	8,816	2,934	180	4,694	6,252	—	24,084
Depreciation charge for the year	18	501	393	15	321	1,969	—	3,217
Disposals	(51)	(81)	(131)	—	(79)	—	—	(342)
Exchange rate adjustments	(14)	(171)	(47)	(2)	(92)	(154)	—	(480)
At 31 December 2023	1,161	9,065	3,149	193	4,844	8,067	—	26,479
At 1 January 2024	1,161	9,065	3,149	193	4,844	8,067	—	26,479
Depreciation charge for the year	21	635	392	—	341	2,022	—	3,411
Disposals	(1)	(566)	(253)	—	(15)	—	—	(835)
Derecognition of right-of- use asset	—	(26)	(105)	—	—	(3,370)	—	(3,501)
Exchange rate adjustments	19	179	23	7	128	171	—	527
At 31 December 2024	1,200	9,287	3,206	200	5,298	6,890	—	26,081
<b>Carrying amounts</b>								
At 1 January 2023	80	2,234	716	18	329	10,863	184	14,424
At 31 December 2023	88	2,793	644	—	697	11,873	176	16,271
At 31 December 2024	88	3,948	636	—	937	10,874	552	17,035

## 11 Property, plant and equipment (cont'd)

	Furniture and fittings \$'000	Laboratory equipment \$'000	Office equipment \$'000	Leasehold improvement \$'000	Buildings \$'000	Construction- in-progress \$'000	Total \$'000
<b>Company</b>							
<b>Cost</b>							
At 1 January 2023	466	2,277	1,398	931	5,759	—	10,831
Additions	28	325	70	120	658	—	1,201
Disposals	(49)	—	(36)	(67)	—	—	(152)
At 31 December 2023	445	2,602	1,432	984	6,417	—	11,880
At 1 January 2024	445	2,602	1,432	984	6,417	—	11,880
Additions	12	292	90	191	55	73	713
Disposals	—	(539)	(103)	(9)	—	(3)	(654)
Derecognition of right-of-use asset	—	(26)	—	—	(76)	—	(102)
Transfer from construction-in-progress	—	5	12	53	—	(70)	—
At 31 December 2024	457	2,334	1,431	1,219	6,396	—	11,837
<b>Accumulated depreciation</b>							
At 1 January 2023	442	1,943	1,138	793	828	—	5,144
Depreciation charge for the year	11	102	142	67	447	—	769
Disposals	(42)	—	(36)	(67)	—	—	(145)
At 31 December 2023	411	2,045	1,244	793	1,275	—	5,768
At 1 January 2024	411	2,045	1,244	793	1,275	—	5,768
Depreciation charge for the year	11	128	136	92	472	—	839
Disposals	—	(537)	(103)	(9)	—	—	(649)
Derecognition of right-of-use asset	—	(26)	—	—	(76)	—	(102)
At 31 December 2024	422	1,610	1,277	876	1,671	—	5,856
<b>Carrying amounts</b>							
At 1 January 2023	24	334	260	138	4,931	—	5,687
At 31 December 2023	34	557	188	191	5,142	—	6,112
At 31 December 2024	35	724	154	343	4,725	—	5,981

The Group and the Company's property, plant and equipment includes right-of-use assets of \$3,070,000 and \$373,000 respectively (2023: \$4,169,000 and \$802,000) (Note 26).

## 12 Investment properties

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Statements of financial position:</b>				
At 1 January	4,736	4,618	2,433	2,269
Change in fair value	161	252	167	164
Exchange rate adjustments	135	(134)	—	—
At 31 December	5,032	4,736	2,600	2,433
<b>Statement of comprehensive income:</b>				
<i>Rental income from investment properties:</i>				
Minimum lease payments	107	98		
<i>Direct operating expenses arising from:</i>				
Rental generating properties	24	24		
Non-rental generating properties	17	15		

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop its investment properties or for repairs, maintenance or enhancements.

Changes in fair values are recognised as gain or loss in profit or loss.

The investment properties held by the Group and the Company as at 31 December 2024 are as follows:

Description and location	Tenure	Lease term
<b>Group</b>		
3 office units, A'Posh Bizhub 1 Yishun Industrial Street 1, Singapore	Leasehold	60 years
Unit 6.06, Wisma Perintis, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur	Freehold	Freehold
B-1-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak	Leasehold	99 years
No. 220, Jalan Burma, 10350 Penang	Freehold	Freehold
B-2-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak	Leasehold	99 years
B-3-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak	Leasehold	99 years
B-7-15, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur	Freehold	Freehold
<b>Company</b>		
3 office units, A'Posh Bizhub 1 Yishun Industrial Street 1, Singapore	Leasehold	60 years

## 12 Investment properties (cont'd)

### (i) Fair value hierarchy

Investment properties are stated at fair value, which has been determined based on valuations performed as at the reporting date. The valuations are performed by PREMAS Valuers & Property Consultants Pte Ltd and VPC Alliance (KL) Sdn. Bhd., who are independent valuers with recognised and relevant professional qualifications and with recent experiences in the location and category of the properties being valued. The fair value measurement for all investment properties has been categorised as a Level 3 fair value.

### (ii) Valuation technique and inputs used

The valuers had considered direct comparison method as the valuation technique used in measuring the fair value of investment properties. The direct comparison method involves the analysis of comparable market transactions that consider the transactions for similar properties that have been transacted in the open market to that reflective of the investment properties.

The significant unobservable input used in the valuation model to determine the fair value is the price per square foot of gross floor area. For financial year ended 31 December 2024, the price per square feet of gross floor area used to value the Group's investment properties ranged from \$58 to \$647 (2023: \$55 to \$605). For investment properties located in Malaysia, the range was \$58 to \$393 (2023: \$55 to \$371), while for those located in Singapore, the range was \$634 to \$647 (2023: \$594 to \$605).

## 13 Intangible assets

	Customer contracts \$'000	Brand \$'000	Goodwill \$'000	Computer software \$'000	Licence \$'000	Trademark \$'000	Work-in- progress \$'000	Total \$'000
<b>Group</b>								
<b>Cost</b>								
At 1 January 2023	2,710	3,761	26,990	4,884	860	296	444	39,945
Additions	—	—	—	204	—	—	354	558
Disposals	—	—	—	(48)	—	—	—	(48)
Transfer from work-in-progress	—	—	—	301	—	—	(301)	—
Exchange rate adjustments	(129)	(130)	(750)	(72)	—	—	(7)	(1,088)
At 31 December 2023	2,581	3,631	26,240	5,269	860	296	490	39,367
At 1 January 2024	2,581	3,631	26,240	5,269	860	296	490	39,367
Additions	—	—	—	89	—	—	57	146
Disposals	—	—	—	(385)	—	—	(18)	(403)
Transfer from work-in-progress	—	—	—	357	—	19	(376)	—
Exchange rate adjustments	59	169	1,133	78	—	—	(12)	1,427
At 31 December 2024	2,640	3,800	27,373	5,408	860	315	141	40,537



## 13 Intangible assets (cont'd)

	Customer contracts \$'000	Brand \$'000	Goodwill \$'000	Computer software \$'000	Licence \$'000	Trademark \$'000	Work-in- progress \$'000	Total \$'000
<b>Group</b>								
<b>Accumulated amortisation</b>								
At 1 January 2023	2,094	2,331	—	4,049	860	165	—	9,499
Amortisation for the year	191	247	—	346	—	29	—	813
Disposal	—	—	—	(48)	—	—	—	(48)
Exchange rate adjustments	(51)	(95)	—	(59)	—	—	—	(205)
At 31 December 2023	2,234	2,483	—	4,288	860	194	—	10,059
At 1 January 2024	2,234	2,483	—	4,288	860	194	—	10,059
Amortisation for the year	156	214	—	400	—	27	—	797
Disposals	—	—	—	(385)	—	—	—	(385)
Exchange rate adjustments	53	152	—	54	—	4	—	263
At 31 December 2024	2,443	2,849	—	4,357	860	225	—	10,734
<b>Carrying amounts</b>								
At 1 January 2023	616	1,430	26,990	835	—	131	444	30,446
At 31 December 2023	347	1,148	26,240	981	—	102	490	29,308
At 31 December 2024	197	951	27,373	1,051	—	90	141	29,803

### Customer contracts

Customer contracts relate to the existing cord blood, cord lining banking and cord tissue service contracts of the subsidiaries acquired, with useful lives ranging from 12 to 20 years.

### Brand

Brand relates to the “Stemlife” and “Healthbaby” brand name possessed by the acquired subsidiary, Stemlife Berhad and Healthbaby Biotech (Hong Kong) Co., Limited, with an amortisation period of 15 years.

### Amortisation expense

The amortisation of the intangible assets has been recognised in the “Administrative expenses” line item in the consolidated statement of comprehensive income.

### Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill acquired through business combinations has been allocated to the Group’s CGUs (operating divisions) as follows:

	Group	
	2024 \$'000	2023 \$'000
Business operations in Malaysia – Stemlife Berhad	7,027	6,636
Business operations in Hong Kong – Healthbaby and Cordlife Hong Kong	20,346	19,604
	27,373	26,240

The recoverable amount of a CGU is based on the greater of its fair value less costs to sell (“FVLCS”) and its value-in-use (“VIU”).

### 13 Intangible assets (cont'd)

#### Impairment testing for CGUs containing goodwill (cont'd)

##### *Stemlife Berhad*

For financial years ended 31 December 2023 and 31 December 2024, the recoverable amount of the goodwill arising from the acquisition of Stemlife Berhad had been determined based on FVLCS, by applying a reference enterprise value ("EV") over earnings before interest, taxes, depreciation and amortisation ("EBITDA") multiple ("EV/EBITDA multiple"), adjusted for a lack of marketability, to the CGU's adjusted EBITDA. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below.

	2024	2023
EV/EBITDA multiple	16.74	16.82
Discount for lack of marketability ("DLOM")	30.0%	30.0%

For financial years ended 31 December 2023 and 31 December 2024, the calculations for FVLCS are most sensitive to the following assumptions:

EV/EBITDA multiple used was the average of the EV/EBITDA of various reference companies. The selection of the reference companies took into consideration, amongst others, the industry and sector as well as the size and scale of these companies. As Stemlife Berhad is not listed on a stock exchange, a DLOM was applied in order to account for the illiquidity or difficulty in selling ownership interest in the CGU compared to publicly traded securities. Management's estimate of the DLOM took into account general marketability discounts applied in comparable situations.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately \$2,651,000 (2023: \$2,443,000). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2024	2023
EV/EBITDA multiple	13.89	12.87
DLOM	41.9%	46.5%

##### *Healthbaby and Cordlife Hong Kong*

The recoverable amount has been determined based on VIU calculations using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used in the estimation of the recoverable amount are set out below.

	2024	2023
Discount rate (pre-tax)	9.0%	10.0%
Terminal growth rate	1.0%	1.0%
Revenue growth rates (average of next five years)	5.2%	7.0%

## 13 Intangible assets (cont'd)

### Impairment testing for CGUs containing goodwill (cont'd)

#### *Healthbaby and Cordlife Hong Kong (cont'd)*

The calculations of VIU for the CGU are most sensitive to the following assumptions:

Revenue growth was projected taking into account the market share assumptions. These assumptions are important because, as well as using market data for the growth rate (as noted above), management assesses how the CGU's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the market to grow over the budget period.

The terminal growth rate is based on management's estimate of long-term compound annual growth rate in budgeted profit, which management believed was consistent with the assumption that a market participant would make.

The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets, which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on average prime lending rate offered by banks. The CGU's specific risk is incorporated by applying individual risk premiums. The risk premiums are evaluated annually based on publicly available market data.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately \$968,000 (2023: \$3,483,000). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2024	2023
Discount rate (pre-tax)	10.8%	16.0%
Revenue growth rates (average of next five years)	5.0%	6.5%

During the financial year, no impairment loss was recognised (2023: \$Nil).

### 13 Intangible assets (cont'd)

	Computer software \$'000	Trademark \$'000	Work-in- progress \$'000	Total \$'000
<b>Company</b>				
<b>Cost</b>				
At 1 January 2023	2,638	296	338	3,272
Additions	44	—	352	396
Transfer from work-in-progress	301	—	(301)	—
At 31 December 2023	2,983	296	389	3,668
At 1 January 2024	2,983	296	389	3,668
Additions	20	—	75	95
Disposal	(385)	—	(16)	(401)
Transfer from work-in-progress	357	19	(376)	—
At 31 December 2024	2,975	315	72	3,362
<b>Accumulated amortisation</b>				
At 1 January 2023	2,361	169	—	2,530
Amortisation for the year	114	29	—	143
At 31 December 2023	2,475	198	—	2,673
At 1 January 2024	2,475	198	—	2,673
Amortisation for the year	174	27	—	201
Disposal	(385)	—	—	(385)
At 31 December 2024	2,264	225	—	2,489
<b>Carrying amounts</b>				
At 1 January 2023	277	127	338	742
At 31 December 2023	508	98	389	995
At 31 December 2024	711	90	72	873

### 14 Investments

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Designated at fair value				
– Unquoted non-equity investments <sup>(1)</sup>	4,616	4,627	4,616	4,627
Mandatorily at FVTPL				
– Unquoted non-equity investments <sup>(2)</sup>	1,344	1,228	—	—
	5,960	5,855	4,616	4,627

<sup>(1)</sup> In the financial year ended 30 June 2016, the Group subscribed for a Class A Redeemable Convertible Note ("RCN") in the principal amount of \$4,200,000 from CellResearch Corporation Pte. Ltd. ("CRC"). The RCN bears interest rate of 3-month SIBOR plus 7% per annum payable annually in arrears. The RCN is classified as an unquoted non-equity investment, which is carried at fair value through profit or loss. The RCN matured on 31 December 2024. Subsequent to the financial year ended, CRC repaid the principal amount of \$4,200,000 in two equal instalments on 13 January 2025 and 2 April 2025.

<sup>(2)</sup> The Group's unquoted non-equity investments mandatorily at FVTPL comprise investments in money market funds. The interest rates for unquoted non-equity investments range from 3.23% to 3.52% (2023: 3.16% to 3.84%) per annum.

## 15 Trade receivables

Trade receivables (current) are non-interest bearing and generally settled on 30 to 60 day terms.

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in Note 30.

## 16 Other receivables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Non-current</b>				
Other receivables	12	10	—	—
<b>Current</b>				
Interest receivable	1,656	1,301	9	80
Advances	85	49	—	—
Other receivables	1,854	807	1,162	421
Deposits	560	1,013	164	250
	4,155	3,170	1,335	751

## 17 Inventories

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Consumables, at cost	922	797	151	207

Inventories recognised as an expense in cost of sales amount to \$2,295,000 (2023: \$2,874,000).

## 18 Amounts owing by/(to) subsidiaries

Current amounts owing by/(to) subsidiaries are trade and non-trade related, unsecured, interest-free, are repayable on demand for non-trade related amounts, and with a 30-day credit term for trade related amounts.

Non-current amounts owing to subsidiaries are non-trade related, unsecured, interest-bearing and are not contractually repayable within the next twelve months.

There is no allowance for doubtful debts arising from amounts owing by subsidiaries.

## 19 Fixed deposits

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Non-current</b>				
Unpledged fixed deposits	6,343	8,671	—	—
<b>Current</b>				
Unpledged fixed deposits	43,122	40,731	3,988	6,111
Pledged fixed deposits	272	8,860	—	—

As at the reporting date 31 December 2024, the Group's non-current unpledged fixed deposits will mature between 1 to 2 years (2023: 1 to 2 years) and bear interest at an effective rate of 7.2% to 7.6% (2023: 7.0% to 8.2%). The Group's current unpledged fixed deposits will mature within 12 months (2023: 12 months) and bear interest at an effective rate of 2.5% to 8.2% (2023: 3.0% to 8.1%) per annum.

Pledged fixed deposits, which will mature within 2 months (2023: 2 months) and bear interest at an effective rate of 3.5% (2023: 3.3% to 3.6%) per annum. As at 31 December 2024, the fixed deposits are pledged for a banker's guarantee issued for an office lease.

In 2023, the fixed deposits are pledged for a banker's guarantee issued for an office lease and a short-term loan facility, which gives the Company a drawdown limit of the lower of \$10.0 million or the total aggregate amount of 90% of the Singapore dollar equivalent of the principal amount of Malaysian ringgit fixed deposits maintained with the bank.

## 20 Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	11,497	18,423	1,571	7,127

Cash and cash equivalents denominated in foreign currencies (i.e. in currencies other than the functional currencies in which they are measured) were as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	172	217	—	—
Malaysian Ringgit	—	214	—	214
Swiss Franc	—	1	—	—
United States Dollar	67	73	36	45

For the purpose of the consolidated statement of cash flows, only cash at bank and on hand are classified as cash and cash equivalents.

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## 21 Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade payables	3,829	4,029	73	203
Other payables*	9,558	5,780	7,131	3,585
Accrued expenses	2,034	2,217	760	1,099
Accrual for salaries and bonuses	1,067	1,135	1,019	1,043
	16,488	13,161	8,983	5,930
<b>Non-current</b>				
Other payables	1,002	1,005	—	—

\* Other payables include a provision of \$6.1 million (2023: \$2.2 million) in relation to the refund of annual fees received from the start of the temperature excursion and waiving of subsequent fees for all active customers whose CBU's are stored in Tank A and the High-Risk Tanks (FY2023: Tank A).

Current trade and other payables are non-interest bearing and are generally settled in cash on 30-day terms. Non-current other payables are non-interest bearing and are not expected to be settled within the next 12 months.

During the financial year ended 31 December 2024, the financial impact of the Refund/Waiver for High-Risk Tanks resulted in a revenue reversal of approximately \$10.6 million, which included the recognition of \$0.8 million in contract liabilities relating to future storage obligations for affected customers.

The Group and the Company's exposures to liquidity risk related to trade and other payables are disclosed in Note 30.

## 22 Deferred tax assets/liabilities

	Group				Company	
	Statement of financial position		Recognised in profit or loss		Statement of financial position	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax liabilities</b>						
Differences in depreciation for tax purposes	51	51	—	—	15	15
Fair value adjustment on acquisition of subsidiaries	2,874	3,129	(389)	(401)	—	—
Investment properties	121	113	38	9	—	—
Investment in associate	748	437	238	218	—	—
	3,794	3,730			15	15
<b>Deferred tax assets</b>						
Unutilised tax losses and capital allowances	493	858	340	(244)	1,406	415
Provisions	1,233	—	(1,207)	—	—	—
Lease liabilities	22	—	(22)	—	—	—
	1,748	858			1,406	415
<b>Deferred tax credit</b>			(1,002)	(418)		

## 22 Deferred tax assets/liabilities (cont'd)

### Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately \$2,995,000 expiring in 2025 - 2034 (2023: \$2,164,000 expiring in 2024 - 2033). The remaining tax losses of \$12,965,000 (2023: \$8,970,000) do not expire under current tax legislations in respective countries. These tax losses are available for offset against future taxable profits of the subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

### Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, there are unrecognised temporary differences of \$16,356,000 (2023: \$22,817,000) relating to investment in subsidiaries.

## 23 Share capital and treasury shares

### (a) Share capital

	Group and Company			
	2024		2023	
	Number of shares '000	\$'000	Number of shares '000	\$'000
<b>Issued and fully paid:</b>				
<b>Ordinary shares</b>				
At the beginning of the year	267,525	94,468	267,525	94,686
Reissuance of treasury shares pursuant to equity compensation plan	—	—	—	(218)
At the end of the year	267,525	94,468	267,525	94,468

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

### (b) Treasury shares

	Group and Company			
	2024		2023	
	Number of shares '000	\$'000	Number of shares '000	\$'000
At the beginning of the year	(11,218)	(12,194)	(11,548)	(12,554)
Reissuance of treasury shares pursuant to equity compensation plan	—	—	330	360
At the end of the year	(11,218)	(12,194)	(11,218)	(12,194)

Treasury shares relate to ordinary shares of the Company which are held by the Company.



## 24 Other reserves

Other reserves of the Group and the Company comprise of the following balances:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Share-based compensation reserve	25	265	25	265
Capital reserve	568	568	422	422
Merger reserve	534	534	—	—
Acquisition reserve	(11,931)	(11,931)	—	—
Revaluation reserve	477	477	—	—
Foreign currency translation reserve	(10,368)	(12,366)	—	—
	(20,695)	(22,453)	447	687

### Share-based compensation reserve

Share-based compensation reserve represents the equity-settled share awards granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant of share awards, and is reduced by the expiry or exercise of the share awards.

### Capital reserve

Capital reserve represents the value of equity-settled share options previously granted by Life Corporation Limited to the Group's employees, prior to the distribution in specie of all of the issued share capital of Cordlife Group Limited to Life Corporation Limited's shareholders on 30 June 2011. Subsequent to the distribution, Cordlife Group Limited ceased to be a subsidiary of Life Corporation Limited.

The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options.

### Merger reserve

Merger reserve represents the difference between the consideration paid or received and the equity interests acquired or disposed, accounted for using the pooling of interest method.

### Acquisition reserve

Acquisition reserve represents the excess of the consideration over the carrying value when the Group acquired non-controlling interests in its subsidiaries.

### Revaluation reserve

Revaluation reserve represents the revaluation adjustment of property, plant and equipment immediately before its reclassification as investment property.

### Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

## 25 Commitments

### Capital commitments

The Group had entered into contractual commitments for the acquisition of property, plant and equipment that are contracted amounting to \$428,565 (2023: Nil).

## 26 Leases

### Leases as lessee

The Group leases lab equipment, office equipment and office spaces under non-cancellable lease arrangements, which have remaining lease terms ranging from one month to five years (2023: one month to five years). The leases have nominal interest rates ranging from 2.3% to 13.0% (2023: 2.3% to 16.5%).

The Company leases lab equipment, office equipment and office spaces under non-cancellable lease arrangements, which have remaining lease terms ranging from two months to two years (2023: one year to two years). The leases have nominal interest rates ranging from 2.3% to 5.0% (2023: 2.3% to 5.0%).

There are no renewal options and contingent rent provisions included in the contracts. The Group and the Company are restricted from subleasing the premises.

Information about leases for which the Group and the Company are as lessees are presented below.

#### *Right-of-use assets*

Right-of-use assets related to leased properties that do not meet the definition of investment properties are presented as property, plant and equipment (see Note 11).

	<b>Laboratory equipment \$'000</b>	<b>Office equipment \$'000</b>	<b>Buildings \$'000</b>	<b>Total \$'000</b>
<b>Group</b>				
Balance at 1 January 2023	12	417	2,597	3,026
Balance at 31 December 2023	—	327	3,842	4,169
Additions to right-of-use assets	—	—	3,057	3,057
Depreciation charge for the year	(12)	(90)	(1,812)	(1,914)
Balance at 1 January 2024	—	327	3,842	4,169
Balance at 31 December 2024	—	259	2,811	3,070
Additions to right-of-use assets	—	86	822	908
Depreciation charge for the year	—	(137)	(1,865)	(2,002)
Derecognition of right-of-use assets	—	(19)	(38)	(57)
Exchange difference	—	2	50	52
<b>Company</b>				
Balance at 1 January 2023	2	177	382	561
Balance at 31 December 2023	—	118	684	802
Additions to right-of-use assets	—	—	658	658
Depreciation charge for the year	(2)	(59)	(356)	(417)
Balance at 1 January 2024	—	118	684	802
Balance at 31 December 2024	—	15	358	373
Additions to right-of-use assets	—	—	55	55
Depreciation charge for the year	—	(103)	(381)	(484)

## 26 Leases (cont'd)

### Leases as lessee (cont'd)

*Amounts recognised in profit or loss*

	Group	
	2024	2023
	\$'000	\$'000
Interest on lease liabilities	196	268
Expenses relating to short-term leases	167	438

### *Reconciliation of lease liabilities*

	Group	
	2024	2023
	\$'000	\$'000
At 1 January	3,505	2,217
Changes from financing cash flows		
Payment of lease liabilities	(2,029)	(1,592)
Interest paid	(196)	(268)
Total changes from financing cash flows	(2,225)	(1,860)
<i>Other changes</i>		
New leases	908	3,057
Interest expense	196	268
Effects of exchange rate	41	(177)
Total other changes	1,145	3,148
At 31 December	2,425	3,505
Analysed as:		
Current	1,894	1,813
Non-current	531	1,692
	2,425	3,505

### Leases as lessor

The Group has entered into commercial property leases on its investment properties. These leases have remaining lease terms up to 36 months (2023: up to 12 months). There are no renewal options and contingent rent provisions included in the contracts. The lessees are restricted from subleasing the premises. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2024	2023
	\$'000	\$'000
Within one year	102	95
After one year but not more than five years	204	—
	306	95

## 27 Investment in subsidiaries

	Company	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	92,083	92,083
Less: Impairment loss	(35,378)	(35,242)
	<u>56,705</u>	<u>56,841</u>

During the financial year ended 31 December 2024, the Company performed an assessment of the recoverable amount of its investment in Cordlife (Hong Kong) Limited based on the updated financial position of the investee company. An impairment loss of \$136,000 was recognised in "Administrative expenses" line item in the Company's statement of comprehensive income, reflecting a decline in its recoverable amount. The impairment loss was eliminated in the Group's statement of comprehensive income. No impairment loss was recognised in 2023.

Name of Company	Principal activities	Country of incorporation	Percentage of equity held	
			2024 %	2023 %
<b><i>Held by the Company</i></b>				
Cordlife (Hong Kong) Limited <sup>1</sup>	Cord blood, cord lining and cord tissue banking and diagnostics services	Hong Kong	100	100
Cordlife Stem Cell Technology Limited <sup>10</sup>	Cord lining banking services	Hong Kong	100	100
Healthbaby Biotech (Hong Kong) Co., Limited <sup>1</sup>	Cord blood, cord lining and cord tissue banking services	Hong Kong	100	100
Cordlife Technologies Pte. Ltd. <sup>2</sup>	Cord lining banking and diagnostics services	Singapore	100	100
CS Cell Technologies Pte. Ltd. <sup>2</sup>	Investment holding	Singapore	100	100
Stemlife Berhad <sup>3</sup>	Cord blood banking services	Malaysia	99.03	99.03
Shanghai Cordlife Stem Cell Research Co., Ltd <sup>4</sup>	Dormant	People's Republic of China	100	100

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Year ended 31 December 2024

## 27 Investment in subsidiaries (cont'd)

Name of Company	Principal activities	Country of incorporation	Percentage of equity held	
			2024 %	2023 %
<b>Held by CS Cell Technologies Pte Ltd</b>				
Cordlife Sciences (India) Pvt. Ltd. <sup>5</sup>	Cord blood, cord lining and cord tissue banking and diagnostics services	India	99.99	99.99
Cordlife Medical Phils., Inc <sup>6</sup>	Cord blood, cord lining and cord tissue banking and diagnostics services	Philippines	99.99	99.99
PT. Cordlife Persada <sup>7</sup>	Cord blood, cord lining and cord tissue banking and diagnostics services	Indonesia	67	67
CL Biotech Company Limited <sup>8</sup>	Consulting services, medical and pharmaceutical research and development services	Vietnam	100	100
<b>Held by Cordlife Stem Cell Technology Limited</b>				
Hong Kong Stem Cell Regeneration Company Limited <sup>10</sup>	Dormant	Hong Kong	100	100
<b>Held by Stemlife Berhad</b>				
Stemlife Properties Sdn. Bhd. <sup>3</sup>	Property investment company	Malaysia	99.03	99.03
Stemlife Therapeutics Sdn. Bhd. <sup>3</sup>	Cord lining and cord tissue banking services	Malaysia	99.03	99.03
Stemlife Biotechnology Sdn. Bhd. <sup>3</sup>	Medical laboratory and diagnostics services and general medical screening tests	Malaysia	99.03	99.03
<b>Held by Healthbaby Biotech (Hong Kong) Co., Limited</b>				
Healthbaby Biotech (Macau) Co., Limited <sup>9</sup>	Provision of marketing services	Macau	99	99
<b>Held by Cordlife (Hong Kong) Limited</b>				
Healthbaby Biotech (Macau) Co., Limited <sup>9</sup>	Provision of marketing services	Macau	1	1

<sup>1</sup> Audited by PKF Hong Kong Limited

<sup>2</sup> Audited by PKF-CAP LLP

<sup>3</sup> Audited by PKF Malaysia

<sup>4</sup> Audited by Shanghai Xinyi Certified Public Accountants Co. Ltd

<sup>5</sup> Audited by D.K. Chhajer & Co.

<sup>6</sup> Audited by Reyes Tacandong & Co.

<sup>7</sup> Audited by PKF Indonesia

<sup>8</sup> Audited by Asia Dragon Auditing and Appraisal Value Co., Ltd

<sup>9</sup> Audited by Keng Ou CPAs

<sup>10</sup> Audited by Li, Tang, Chen & Co.

## 28 Employee benefits expense

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries, bonuses and other short-term benefits	19,660	20,407
Defined contribution plans	1,351	1,354
Share-based compensation (reversal)/expense (Cordlife Share Grant Plan)	(240)	248
	<u>20,771</u>	<u>22,009</u>

These include the amounts shown as key management personnel compensation in Note 29.

### **Cordlife Share Grant Plan**

The Cordlife Share Grant Plan is a share-based long-term incentive plan for key senior management and employees of the Group (the "Plan") which was approved by shareholders at an Extraordinary General Meeting held on 18 October 2013 and was to continue to be in operation for a maximum period of 10 years.

The details of the plan are described below:

#### **Performance Share Award**

Plan description	Award of fully-paid ordinary shares of the Company, conditional upon the satisfaction of specific performance targets set at the start of a one-year performance period based on medium-term Group and Company objectives.
Performance conditions	Average Return on Invested Capital and Absolute Shareholders' Return
Vesting conditions	Based on meeting stated performance conditions over a one-year performance period, 50% of award will vest. Balance will vest in the second year.
Payout	0%-100% depending on the achievement of pre-set performance targets over the performance period.

#### **Restricted Share Award**

Plan description	Award of fully-paid ordinary shares of the Company, conditional upon the satisfaction of specific performance targets set at the start of a two-year performance period based on medium-term Group and Company objectives of retaining high potential talents ("HiPo").
Performance conditions	Sustained Performance Level ("PL") Rating 1 or 2 (out of 5) and continues to remain in HiPo talent pool.
Vesting conditions	Based on meeting stated performance conditions over a two-year performance period, 50% of award will vest. Balance will vest in the third year.
Payout	0%-100% depending on the achievement of pre-set PL Rating over the performance period.

## 28 Employee benefits expense (cont'd)

### Movement of share awards during the year

	Group	
	2024	2023
	No. of shares	
Outstanding at the beginning of the year	—	330,350
– Awarded	—	(330,350)
Outstanding at the end of the year	—	—

### Fair value of share awards granted

The fair value of services received in return for shares awarded is measured by reference to the fair value of shares granted each year under the Cordlife Share Grant Plan. The estimate of the services received is measured based on a Monte Carlo simulation model, which involves projection of future outcomes using statistical distribution of key random variables including share price and volatility of returns. Shares were last granted during the financial year ended 31 December 2022.

The Plan expired on 17 October 2023 and there were no shares granted during the financial years ended 31 December 2024 and 31 December 2023.

## 29 Related party transactions

### Compensation of key management personnel:

	Group	
	2024	2023
	\$'000	\$'000
Salaries and bonuses	1,446	1,349
Defined contribution plans	73	62
Other short-term benefits	115	84
Share-based compensation	–	13
Directors' fees	135	540
	1,769	2,048
<i>Comprise amounts paid to:</i>		
Directors of the Company	506	1,077
Other key management personnel	1,263	971
	1,769	2,048

### **30 Financial instruments**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

#### ***Risk management framework***

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

#### **(i) Credit risk**

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets and contract assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

#### **Investments**

As at 31 December 2024, the Group has an RCN from CRC of \$4,616,000 classified as short-term investment (2023: \$4,627,000). Details are disclosed in Note 14 to the financial statements. The Group also holds short-term investments in money market funds of \$1,344,000 (2023: \$1,228,000) and are placed with regulated financial institutions.



## 30 Financial instruments (cont'd)

### (i) Credit risk (cont'd)

#### Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

#### *Exposure to credit risk*

The exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore	50,552	51,751	38,745	41,124
Hong Kong	564	681	—	—
India	1,089	1,290	—	—
Malaysia	3,183	3,326	—	—
Philippines	10,635	10,176	—	—
Indonesia	17,560	18,004	7,825	7,879
	83,583	85,228	46,570	49,003

There were no other significant concentrations of credit risk within the Group.

#### *Expected credit loss assessment for individual customers as at 31 December 2024 and 31 December 2023*

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from individual customers, which comprise a very large number of small balances.

The allowance is calculated by reference to credit losses expected to be incurred over the lifetime of the receivables. In estimating a loss allowance, management considers the assessment of the circumstances of and correspondences with individual customers and make specific provisions for customers accounts who fall under predefined categories. For customer accounts for which no specific provisions were made, the Company applies a general loss rate based on historical experience and informed credit assessment alongside other factors such as the current state of the economy and particular industry issues.

### 30 Financial instruments (cont'd)

#### (i) Credit risk (cont'd)

##### Trade receivables and contract assets (cont'd)

*Expected credit loss assessment for individual customers as at 31 December 2024 and 31 December 2023 (cont'd)*

The following tables provide information about the exposure to credit risk and ECLs for trade receivables and contract assets for individual customers.

	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
<b>Group</b>				
<b>31 December 2024</b>				
Non-credit impaired accounts - subject to general ECL rate	3.17	86,318	(2,735)	No
Credit-impaired accounts - individually determined	100	14,123	(14,123)	Yes
		<u>100,441</u>	<u>(16,858)</u>	
<b>31 December 2023</b>				
Non-credit impaired accounts - subject to general ECL rate	1.94	86,914	(1,686)	No
Credit-impaired accounts - individually determined	100	14,434	(14,434)	Yes
		<u>101,348</u>	<u>(16,120)</u>	
<b>Company</b>				
<b>31 December 2024</b>				
Non-credit impaired accounts - subject to general ECL rate	3.66	48,340	(1,770)	No
Credit-impaired accounts - individually determined	100	3,957	(3,957)	Yes
		<u>52,297</u>	<u>(5,727)</u>	
<b>31 December 2023</b>				
Non-credit impaired accounts - subject to general ECL rate	2.50	50,262	(1,259)	No
Credit-impaired accounts - individually determined	100	3,957	(3,957)	Yes
		<u>54,219</u>	<u>(5,216)</u>	

## 30 Financial instruments (cont'd)

### (i) Credit risk (cont'd)

#### Trade receivables and contract assets (cont'd)

*Movements in allowance for impairment in respect of trade receivables and contract assets*

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	16,120	17,145	5,216	4,745
Impairment loss recognised, net	1,373	294	511	1,564
Allowance utilised	(700)	(1,134)	—	(1,093)
Exchange differences	65	(185)	—	—
At 31 December	16,858	16,120	5,727	5,216

#### Cash and cash equivalents and fixed deposits

The Group and the Company held cash and cash equivalents and fixed deposits of \$61,234,000 and \$5,559,000 respectively at 31 December 2024 (2023: \$76,685,000 and \$13,238,000 respectively). The cash and cash equivalents and fixed deposits are held with bank and financial institution counterparties, which are rated Baa3 to Aa1 (2023: Baa3 to Aa1), based on Moody's ratings.

Impairment on cash and cash equivalents and fixed deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and fixed deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents and fixed deposits was negligible.

#### Other receivables

The Group and the Company held other receivables of \$3,972,000 and \$1,171,000 respectively at 31 December 2024 (2023: \$2,915,000 and \$503,000 respectively), carried at amortised cost. Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its other receivables have a low risk of default and a capacity to meet contractual cash flows. The amount of the allowance on other receivables was negligible.

### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

### 30 Financial instruments (cont'd)

#### (ii) Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000
Group					
31 December 2024					
Non-derivative financial liabilities					
Trade and other payables <sup>(1)</sup>	13,985	(13,985)	(13,985)	—	—
Lease liabilities <sup>(2)</sup>	2,425	(2,684)	(2,082)	(602)	—
	16,410	(16,669)	(16,067)	(602)	—
31 December 2023					
Non-derivative financial liabilities					
Trade and other payables <sup>(1)</sup>	10,490	(10,490)	(10,490)	—	—
Lease liabilities <sup>(2)</sup>	3,505	(3,920)	(1,983)	(1,937)	—
	13,995	(14,410)	(12,473)	(1,937)	—
Company					
31 December 2024					
Non-derivative financial liabilities					
Trade and other payables <sup>(1)</sup>	7,900	(7,900)	(7,900)	—	—
Amounts owing to subsidiaries	14,171	(14,171)	(939)	(13,232)	—
Lease liabilities	385	(390)	(370)	(20)	—
	22,456	(22,461)	(9,209)	(13,252)	—
31 December 2023					
Non-derivative financial liabilities					
Trade and other payables <sup>(1)</sup>	4,684	(4,684)	(4,684)	—	—
Amounts owing to subsidiaries	15,882	(15,882)	(3,036)	(12,846)	—
Lease liabilities	797	(851)	(434)	(417)	—
	21,363	(21,417)	(8,154)	(13,263)	—

<sup>(1)</sup> Trade and other payables exclude GST payables and liability for employee benefits.

<sup>(2)</sup> Certain lease arrangements with remaining lease term of up to five years (2023: five years) (see Note 26) have been fully paid for.

## 30 Financial instruments (cont'd)

### (iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### **Currency risk**

The Group is exposed to currency risk mainly arising from its cash and cash equivalents and fixed deposit denominated in USD as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	67	73
Unpledged fixed deposits	988	2,191
	<u>1,055</u>	<u>2,264</u>

At the end of the reporting period, if USD/SGD strengthened/weakened by 5% (2023: 5%) with all other variables held constant, the Group's profit before tax would have been \$53,000 (2023: \$113,000) higher/lower, arising as a result of higher/lower revaluation gains on cash and cash equivalents and fixed deposit denominated in USD.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group does not have significant exposure to interest rate risk as its fixed deposits of varying maturity periods are placed with reputable banks and financial institutions and generate interest income at a fixed rate during the tenure of the fixed deposits and are not subject to changes in interest rate.

### 30 Financial instruments (cont'd)

#### (iii) Market risk (cont'd)

##### *Accounting classifications and fair values*

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
	Mandatorily at FVTPL \$'000	Designated at fair value \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>								
<b>31 December 2024</b>								
<b>Financial assets measured at fair value</b>								
Investments	1,344	4,616	—	5,960	—	1,344	4,616	5,960
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>^</sup>	—	—	29,134	29,134				
Fixed deposits	—	—	49,737	49,737				
Cash and cash equivalents	—	—	11,497	11,497				
	—	—	90,368	90,368				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>#</sup>	—	—	(13,985)	(13,985)				
Lease liabilities	—	—	(2,425)	(2,425)				
	—	—	(16,410)	(16,410)				
<b>31 December 2023</b>								
<b>Financial assets measured at fair value</b>								
Investments	1,228	4,627	—	5,855	—	1,228	4,627	5,855
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>^</sup>	—	—	25,587	25,587				
Fixed deposits	—	—	58,262	58,262				
Cash and cash equivalents	—	—	18,423	18,423				
	—	—	102,272	102,272				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>#</sup>	—	—	(10,490)	(10,490)				
Lease liabilities	—	—	(3,505)	(3,505)				
	—	—	(13,995)	(13,995)				

<sup>^</sup> Trade and other receivables exclude GST receivables

<sup>#</sup> Trade and other payables exclude GST payables and liability for employee benefits

## 30 Financial instruments (cont'd)

### (iii) Market risk (cont'd)

#### Accounting classifications and fair values (cont'd)

	Carrying amount			Fair value			
	Designated at fair value	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Company</b>							
<b>31 December 2024</b>							
<b>Financial assets measured at fair value</b>							
Investments	4,616	—	4,616	—	—	4,616	4,616
<b>Financial assets not measured at fair value</b>							
Trade and other receivables <sup>^</sup>	—	12,358	12,358				
Fixed deposits	—	3,988	3,988				
Cash and cash equivalents	—	1,571	1,571				
Amounts owing by subsidiaries	—	23,889	23,889				
	—	41,806	41,806				
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables <sup>#</sup>	—	(7,900)	(7,900)				
Amounts owing to subsidiaries	—	(14,171)	(14,171)				
Lease liabilities	—	(385)	(385)				
	—	(22,456)	(22,456)				
<b>31 December 2023</b>							
<b>Financial assets measured at fair value</b>							
Investments	4,627	—	4,627	—	—	4,627	4,627
<b>Financial assets not measured at fair value</b>							
Trade and other receivables <sup>^</sup>	—	10,718	10,718				
Fixed deposits	—	6,111	6,111				
Cash and cash equivalents	—	7,127	7,127				
Amounts owing by subsidiaries	—	25,349	25,349				
	—	49,305	49,305				
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables <sup>#</sup>	—	(4,684)	(4,684)				
Amounts owing to subsidiaries	—	(15,882)	(15,882)				
Lease liabilities	—	(797)	(797)				
	—	(21,363)	(21,363)				

<sup>^</sup> Trade and other receivables exclude GST receivables

<sup>#</sup> Trade and other payables exclude GST payables and liability for employee benefits

### 31 Fair value of assets and liabilities

#### (a) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### (b) Valuation techniques

The Group holds short-term investments in money market funds measured at Level 2 fair values. The fair values were calculated using the net asset value of the money market funds, on the basis that their net asset values approximate their fair values at the reporting date.

The Group's and Company's investment in RCN from CRC is measured at Level 3 fair values. The fair values were calculated by including interest receivables to the amortised cost at the reporting date.

The following table shows a reconciliation from the opening balances to the ending balances for the Level 3 fair values:

	<b>Group and Company Investments – at FVTPL</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 January	4,627	4,562
Interest received	(467)	(373)
Total unrealised gain/(loss) recognised in profit or loss		
– Interest income	456	468
– Net change in fair value of FVTPL	—	(30)
At 31 December	<u>4,616</u>	<u>4,627</u>

### 32 Segment reporting

For management reporting purposes, the Group monitors the performance of the business units based on their products and services and has two reportable segments as follows:

- The banking segment comprises the collection, processing and banking of biological materials.
- The diagnostics segment comprises diagnostics testing services.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Tax expense that is managed on a group basis.
- Subsidiaries not offering services under the banking and diagnostics segments.



## 32 Segment reporting (cont'd)

No operating segments have been aggregated to form the above reportable operating segments.

### Segment revenue

	Banking \$'000	Diagnostics \$'000	Total \$'000
<b>Year ended 31 December 2024</b>			
Revenue from external customers	23,741	3,905	27,646
Total consolidated revenue			<u>27,646</u>
<b>Year ended 31 December 2023</b>			
Revenue from external customers	51,284	4,446	55,730
Total consolidated revenue			<u>55,730</u>

### Segment results

	Banking \$'000	Diagnostics \$'000	Total \$'000
<b>Year ended 31 December 2024</b>			
Finance income	3,436	—	3,436
Finance costs	(196)	—	(196)
Depreciation and amortisation	(4,113)	(95)	(4,208)
Segment (loss)/profit	(21,074)	312	(20,762)
Fair value gain on investment properties			161
Share of profit of associate, net of tax			1,621
(Loss)/profit before income tax			<u>(18,980)</u>
Tax credit			104
Loss for the year			<u>(18,876)</u>
<b>Year ended 31 December 2023</b>			
Finance income	3,420	—	3,420
Finance costs	(268)	—	(268)
Depreciation and amortisation	(3,993)	(37)	(4,030)
Segment profit	1,893	850	2,743
Fair value gain on investment properties			252
Share of profit of associate, net of tax			1,263
Profit before income tax			<u>4,258</u>
Tax expense			(692)
Profit for the year			<u>3,566</u>

## 32 Segment reporting (cont'd)

### Segment assets and liabilities

	Banking \$'000	Diagnostics \$'000	Others* \$'000	Total \$'000
<b>31 December 2024</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	4,112	194	—	4,306
Segment assets	249,135	5,779	996	255,910
Investment in associate				3,644
Investment properties				5,032
Eliminations <sup>+</sup>				(47,444)
Per consolidated financial statements				217,142
Segment liabilities	127,594	2,404	12,072	142,070
Tax payables				85
Deferred tax liabilities				3,794
Eliminations <sup>+</sup>				(47,269)
Per consolidated financial statements				98,680
<b>31 December 2023</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	5,692	196	—	5,888
Segment assets	263,118	7,355	850	271,323
Investment in associate				2,218
Investment properties				4,736
Eliminations <sup>+</sup>				(49,821)
Per consolidated financial statements				228,456
Segment liabilities	123,905	2,044	12,441	138,390
Tax payables				500
Deferred tax liabilities				3,730
Eliminations <sup>+</sup>				(49,815)
Per consolidated financial statements				92,805

<sup>+</sup> Inter-segment balances are eliminated on consolidation.

<sup>\*</sup> Others refer to the assets and liabilities of subsidiaries not offering services under the banking and diagnostics segments.

## 32 Segment reporting (cont'd)

### Geographical information

	Revenue		Non-current assets	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Singapore	(2,007)	24,597	9,571	9,670
Hong Kong	9,627	8,735	23,040	22,974
India	5,533	6,342	10,530	13,011
Malaysia	3,175	3,517	15,677	12,839
Philippines	6,450	6,523	748	857
Others	4,868	6,016	2,291	1,853
	27,646	55,730	61,857	61,204

Non-current assets information presented exclude financial instruments (other than equity-accounted investees and fixed deposits) and deferred tax assets.

## 33 Capital management

Capital comprises equity attributable to owners of the Company.

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the year ended 31 December 2024 and 31 December 2023.

The Group is in a net positive cash position as at 31 December 2024.

## 34 Contingent liabilities

### (a) Status of Claims against the Company

The Company has received multiple claims from the Company's customers alleging the damage of cord blood units resulting from the Company's storage of the cord blood units from Tank A and the High-Risk Tanks. The Company is, in consultation with its legal advisers, actively monitoring and attending to the above-mentioned matters and will take necessary steps to engage with relevant parties at the appropriate juncture. The status of those claims remains subject to change, further determination with the relevant parties and the ongoing investigation by MOH.

### (b) Investigation by Ministry of Health ("MOH")

On 22 January 2024, the Company had received a 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 Services) Regulations that were identified by MOH based on its inspections conducted on 16, 17, 18, 20, 21 and 27 November and 6 December 2023. Following MOH's findings of the Potential Non-Compliances, the Company's cord blood banking and human tissue banking licences ("Licences") were modified while the Company worked to address the identified issues. On 14 January 2025, the Company was issued updated Licences, allowing it to resume full operations in Singapore for a period of one year. As at 31 December 2024, the Company has not been notified of any fines and/or penalties to be imposed on the Company arising from the potential areas of non-compliance identified by the MOH.

## **34 Contingent liabilities (cont'd)**

### **(c) Investigation by Commercial Affairs Department**

On 19 March 2024, the Company received a 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"). Subsequently, several Directors and Group Chief Financial Officer were arrested in connection with the investigations and released on bail. The Company was informed that the offence was 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, which was first disclosed by the Company in its announcement dated 30 November 2023.

As the CAD's investigation is still ongoing as at 31 December 2024 and as at the date of this report, the CAD had not imposed any further directives and/or penalties on the Company in relation to the Investigations.

### **(d) Additional Testing of Low-Risk Tanks**

On 8 April 2024, the Company announced it would be sending over 200 samples, a statistically meaningful number of Cord Blood Units from the five Low-Risk Tanks, for testing by a third-party laboratory to provide more assurance in the testing results ("Additional Testing of Low-Risk Tanks").

On 2 April 2025, the Company announced that it was, together with its professional advisers and specialists, in the process of performing a technical analysis on the Additional Low-Risk Tanks Test Results. In May 2025, the Company announced that the technical analysis on the Additional Low-Risk Tanks Test Results has been completed and the Company is undertaking a comprehensive and independent review of the results. The Company understands that the process is expected to be completed in or around the later part of 2025.

Due to uncertainties in the outcome of the claims against the Company, investigations by MOH and CAD and the Additional Testing of Low-Risk Tanks, the Company is at present unable to assess the financial impact arising therefrom.

## **35 Subsequent events**

### **Renewal of Licences**

On 13 January 2025, the Company was informed by MOH that the Director-General of Health had decided to renew the Company's cord blood banking service and human tissue banking service licences under the Healthcare Services Act for a period of one (1) year with effect from 14 January 2025.

### **Investigations by the Commercial Affairs Department**

The Company has been informed by Ms Thet Hnin Yi, Chief Financial Officer of the Company ("CFO") on 24 January 2025 that she has attended another interview at the office of the CAD on 23 January 2025.

### **Update on Claims Against the Company**

Subsequent to the financial year ended 31 December 2024, the Company received legal correspondences sent on behalf of persons who have identified themselves as the Company's customers in relation to the Company's cryopreservation and storage of cord blood units for their children. In particular, it was informed, inter alia, that they are in the process of assessing the losses suffered by such persons by reason of the Company's alleged breaches of contract, negligence and misrepresentation. The Company is in the process of seeking legal advice and will appropriately respond to the Company's customers in due course.

## 35 Subsequent events (cont'd)

### Update on Claims Against the Company (cont'd)

The Company is, in consultation with its legal advisers, actively monitoring and attending to the above-mentioned matters and will take necessary steps to engage with relevant parties at the appropriate juncture. The status of those claims remains subject to change and further determination with the relevant parties. As the exposure from such claims remains uncertain, the Company is unable to determine the impact of such claims on the Group's financial performance for the financial year ending 31 December 2025. However, should the Company be ultimately required to settle all the claims made by multiple customers, this will likely result in a negative impact on the financial position of the Group for the financial year ending 31 December 2025.

### Update on Testing Results of Low-Risk Tanks

On 2 April 2025, the Company announced that it was, together with its professional advisers and specialists, in the process of performing a technical analysis on the Additional Low-Risk Tanks Test Results. In May 2025, the Company announced that the technical analysis on the Additional Low-Risk Tanks Test Results have been completed and the Company is undertaking a comprehensive and independent review of the results. The Company understands that the process is expected to be completed in or around the later part of 2025.

## 36 Disclaimer Opinion on the Financial Statements for the Financial Year Ended 31 December 2023

The preceding auditor's report dated 24 April 2024 contains a disclaimer of opinion on the financial statements for the financial year ended 31 December 2023. Below is the extract of the basis for disclaimer opinion.

### Basis for Disclaimer of Opinion

#### 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.

**36 Disclaimer Opinion on the Financial Statements for the Financial Year Ended 31 December 2023 (cont'd)**

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.

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**APPENDIX D – LETTER FROM THE IFA IN RELATION TO THE STATEMENTS OF PROSPECTS**

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11 June 2025

The Board of Directors  
**Cordlife Group Limited**  
1 Yishun Industrial Street 1  
#06-01/09, A'Posh BizHub  
Singapore 768160

Dear Sirs,

**OPINION LETTER IN RESPECT OF THE STATEMENTS OF PROSPECTS (AS DEFINED HEREIN) AS SET OUT IN THE RESPECTIVE ANNOUNCEMENTS OF CORDLIFE GROUP LIMITED (THE "COMPANY", AND TOGETHER WITH ITS SUBSIDIARIES, THE "GROUP")**

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*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 11 June 2025 (the "**Circular**") issued by the Company to the shareholders of the Company shall have the same meanings herein.*

This letter has been prepared for inclusion in the Circular to be issued in connection with the voluntary conditional cash partial offer (the "**Partial Offer**") by PrimePartners Corporate Finance Pte. Ltd., for and on behalf of Medeze Treasury Pte. Ltd. (the "**Offeror**"), for 25,630,774 issued ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror in connection with the Partial Offer. We have given and have not withdrawn our consent, to this letter being published in the Circular.

We note from Appendix F to the Circular that the Company had made the following statements which are deemed as statements of prospects under Rule 25 of the Singapore Code on Take-overs and Mergers (the "**Code**"), which each contained the following statement on the prospects of the Group for FY2025 (the "**Statements of Prospects**"):

**Statements of Prospects**

1. In its profit warning announcement released on 18 February 2025, the following statements was made by the Company:

*"However, the pace of recovery and outlook for the financial year ending 31 December 2025 remains uncertain, and there is no assurance that the Company can resume profitability in the financial year ending 31 December 2025."*

2. In its announcement of the unaudited financial statements of the Company for FY2024 released on 1 March 2025, the following statements were made by the Company:

*"In view of the foregoing, the Company expects an improvement in the revenue streams to be contributed by the Group's Singapore business."*

*"The Group remains cautiously optimistic that, barring unforeseen circumstances the Group's financial performance in FY2025 will improve compared to FY2024."*

3. In its press release released on 1 March 2025, the following statement was made by the Company:

*"Cordlife expects its FY2025 financial performance to improve compared to FY2024, given expected improvement in revenue contributions from its Singapore operations as it progressively ramps up operations but will continue to closely monitor and manage its contingent liabilities."*

4. In its results presentation released on 1 March 2025, the following statement was made by the Company:



*“Cordlife Singapore is expected to contribute positively to FY2025 performance.”*

Shareholders may wish to refer to the respective announcements and documents of the Company for the full context of the Statement of Prospects.

We have considered and discussed the key bases and assumptions underlying the Statements of Prospects which are set out in Appendix F to the Circular with the management of the Company who are responsible for its preparation. We note that the Statements of Prospects were not made in connection with the Partial Offer. The directors of the Company (the “**Directors**”) have not issued any profit forecast for the Company or the Group in connection with the Partial Offer. The Statements of Prospects should not be regarded as a forecast of the future financial performance of the Group.

We have also considered the letter dated 11 June 2025 addressed to the Directors by PKF-LLP in relation to their review of the Statements of Prospects based on the agreed-upon procedures in accordance with the Singapore Standards on Related Services (SSRS) 4400 (Revised), Agreed-Upon Procedures Engagements.

We have relied on and assumed the accuracy and completeness of all information and representations provided to or discussed with us by the Company. We have not independently verified such information and representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for the accuracy and completeness of such information and representations. We have nevertheless made reasonable enquiries and exercised our judgement as we deemed necessary in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations. Save as provided in this letter, we do not express any other opinion or view on the Statements of Prospects. The Directors remain solely responsible for the Statements of Prospects.

Based on the foregoing, we are of the opinion that the Statements of Prospects (including the bases and assumptions set out on Appendix F to the Circular on which they are based), for which the Directors are solely responsible, have been prepared and made by the Directors after due and careful enquiry.

This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Code and not for any other purpose. We do not accept any responsibility to any other person(s), other than the Directors in respect of, arising out of, or in connection with this letter.

Yours sincerely  
For and on behalf of  
**NOVUS CORPORATE FINANCE PTE. LTD.**

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Andrew Leo  
Chief Executive Officer

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Lau Sze Mei  
Associate Director

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**APPENDIX E – LETTER FROM THE AUDITORS IN RELATION TO THE STATEMENTS OF  
PROSPECTS**

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**PKF-CAP LLP**  
6 Shenton Way  
OUE Downtown 1 #38-01  
Singapore 068809

Tel: (65) 6500 9360  
[www.pkfsingapore.com](http://www.pkfsingapore.com)  
UEN: T07LL0568F

The Board of Directors  
Cordlife Group Limited  
1 Kim Seng Promenade  
#15-01, Great World City East  
Singapore 237994

Dear Sirs,

**REPORT ON AGREED-UPON PROCEDURES IN RELATION TO THE STATEMENTS OF PROSPECTS OF CORDLIFE GROUP LIMITED (THE "COMPANY") AND ITS SUBSIDIARIES (THE "GROUP")**

**Purpose of this Agreed-Upon-Procedures Report and Restriction of Use and Distribution**

On 18 February 2025, the Company had made an announcement in its profit warning, which included the following statement on the prospects of the Group:

*"However, the pace of recovery and outlook for the financial year ending 31 December 2025 remains uncertain, and there is no assurance that the Company can resume profitability in the financial year ending 31 December 2025."*

On 1 March 2025, the Company had made an announcement of the unaudited financial results of the Group for the full year ended 31 December 2024, which included the following statements on the prospects of the Group:

*"In view of the foregoing, the Company expects an improvement in the revenue streams to be contributed by the Group's Singapore business."*

*"The Group remains cautiously optimistic that, barring unforeseen circumstances the Group's financial performance in FY2025 will improve compared to FY2024."*

On 1 March 2025, the Company had made an announcement in its press release, which included the following statement on the prospects of the Group:

*"Cordlife expects its FY2025 financial performance to improve compared to FY2024, given expected improvement in revenue contributions from its Singapore operations as it progressively ramps up operations but will continue to closely monitor and manage its contingent liabilities."*



On 1 March 2025, the Company had made an announcement in its results presentation, which included the following statement on the prospects of the Group:

*“Cordlife Singapore is expected to contribute positively to FY2025 performance.”*

Additional context in relation to the Management’s definition of terms in the relevant Statement of Prospects is set out below:

	Statement of Prospects	Management’s definition of terms in the relevant Statement of Prospects
(A)	“Cordlife Singapore is expected to contribute positively to FY2025 performance.”	"contribute positively to FY2025 performance" refers to an improvement in the revenue streams to be contributed by the Group's Singapore business.

The statements on the prospects of the Group, as issued on 18 February 2025 and 1 March 2025 are collectively referred to as the “Statements of Prospects” in the Circular dated 11 June 2025 to be issued to the shareholders of the Company in connection with the voluntary conditional cash partial offer (the “Partial Offer”) by Medeze Treasury Pte. Ltd. (“the Offeror”) to acquire 25,630,774 issued and paid-up ordinary shares (“Shares”) in the capital of the Company (other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror in connection with the Partial Offer (the “Concert Parties”)) which, when aggregated with the 1,750,200 Shares currently held by the Offeror would represent approximately 10.68% of the total number of Shares (excluding treasury shares) as at the Record Date (as defined in Section 9 of the Offer Announcement), in accordance with Rule 16 of the Singapore Code on Take-overs and Mergers (the “Code”);

Our report is solely for the purpose of assisting the Board of Directors of the Company in determining whether the Statements of Prospects have been properly prepared in accordance with the assumptions determined by the management of the Company, as set out in Appendix F of the Circular and whether they are consistent with the accounting policies adopted by the Group for the purpose of meeting regulatory requirements applicable under the Code and may not be suitable for another purpose. This report is intended solely for the Board of Directors of the Company, and should not be used by, or distributed to, any other parties.

### **Responsibilities of the Engaging Party**

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The management of the Company is responsible for the subject matter on which the agreed-upon procedures are performed.



## **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the Singapore Standard on Related Services (SSRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the management of the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### *Professional Ethics and Quality Control*

We have complied with the ethical requirements in the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) and the independence requirements in Part 4A of the ACRA Code.

Our firm applies Singapore Standard on Quality Management (SSQM) 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## Procedures and Findings

We have performed the procedures described below, which were agreed upon with the management of the Company on the Statements of Prospects of the Group.

	Agreed-upon Procedures	Findings
1	Compared for consistency the assumptions as outlined in Appendix F of the Circular with the assumptions used in the FY2025 budgets prepared by the management of the Company.	We have traced each of the assumptions outlined for each Statement of Prospects in Appendix F of the Circular to the FY2025 budgets prepared by the management of the Company and found them to be in agreement.
2	Obtained the schedule of FY2025 budgets prepared by the management of the Company and checked the arithmetic accuracy of the FY2025 budgets supporting the Statements of Prospects of the Group.	For the Statement of Prospects, we have obtained the supporting FY2025 budgets for the period 1 January 2025 to 31 December 2025 and have found it to be arithmetically accurate.



	Agreed-upon Procedures (continued)	Findings (continued)
3	Read and compared for consistency the accounting policies on which the FY2025 budgets were prepared with the accounting policies as set out in the audited consolidated financial statements of the Group for the year ended 31 December 2024.	<p>We have obtained the accounting policies on which each of the FY2025 budgets prepared was based, compared them to accounting policies as set out in the audited consolidated financial statements of the Group for the year ended 31 December 2024 (in Appendix C) and found them to be in agreement.</p> <p>We draw attention to Note 2.1 to the audited consolidated financial statements of the Group for the year ended 31 December 2024 which states that as the findings from the review of the Additional Low-Risk Tanks Test Results ("ALTR") had yet to be finalised, management is unable to quantify any adjustments that may need to be recorded in the FY2025 budgets arising from any refunds and/or claims, both constructive and contingent as at 31 December 2024. Management has also not made any additional allowance for expected credit losses (ECL) related to the trade receivables and contract assets that may be impacted by the outcome of the ALTR which are currently undergoing comprehensive and independent review by the Company.</p>

**PKF-CAP LLP**

Public Accountants and  
Chartered Accountants

Singapore

11 June 2025

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## APPENDIX F – BASES AND ASSUMPTIONS OF THE STATEMENTS OF PROSPECTS

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The following statements of prospects (the “**Statements of Prospects**”) were not made in connection with the Partial Offer.

The Directors have not issued any profit forecast for the Group for FY2025 in connection with the Partial Offer. The Statements of Prospects should not be regarded as a forecast of the future financial performance of the Group.

The Statements of Prospects for which the Directors are solely responsible, were made on bases consistent with the accounting policies adopted by the Group in preparing its audited and unaudited consolidated financial statements of the Group for FY2024. They were not made in connection with the Partial Offer and were based on assumptions and/or information available as at the relevant dates on which each such Statement of Prospect was made.

### **Statements of Prospects**

1. In its profit warning announcement released on 18 February 2025, the following statements was made by the Company:

*“However, the pace of recovery and outlook for the financial year ending 31 December 2025 remains uncertain, and there is no assurance that the Company can resume profitability in the financial year ending 31 December 2025.”*

2. In its announcement of the unaudited financial statements of the Company for FY2024 released on 1 March 2025, the following statements were made by the Company:

*“In view of the foregoing, the Company expects an improvement in the revenue streams to be contributed by the Group’s Singapore business.”*

*“The Group remains cautiously optimistic that, barring unforeseen circumstances the Group’s financial performance in FY2025 will improve compared to FY2024.”*

3. In its press release released on 1 March 2025, the following statement was made by the Company:

*“Cordlife expects its FY2025 financial performance to improve compared to FY2024, given expected improvement in revenue contributions from its Singapore operations as it progressively ramps up operations but will continue to closely monitor and manage its contingent liabilities.”*

4. In its results presentation released on 1 March 2025, the following statement was made by the Company:

*“Cordlife Singapore is expected to contribute positively to FY2025 performance.”*

Additional context in relation to the Management’s definition of terms in the relevant Statement of Prospects is set out below:

	Statement of Prospects	Management’s definition of terms in the relevant Statement of Prospects
(A)	“Cordlife Singapore is expected to contribute positively to FY2025 performance.”	"contribute positively to FY2025 performance" refers to an improvement in the revenue streams to be contributed by the Group's Singapore business.



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## APPENDIX F – BASES AND ASSUMPTIONS OF THE STATEMENTS OF PROSPECTS

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The Statements of Prospects set out above were made based on the assumptions set out below:

- (a) there will be no material changes in the existing management and organisational structure and principal activities of the Group;
- (b) there will be no material changes in the management, trading and accounting policies from those currently adopted;
- (c) there will be no material changes in existing political, economic, legal or regulatory conditions affecting the activities of the Company, the industry or the countries in which the Group operates;
- (d) there will be no material changes to the tax legislation, bases or rates of taxation, provident fund contributions, tariffs, duties, government levies, currency exchange rates and interest rates from those prevailing at the date of the projections and which may affect the Group's performance;
- (e) there will be no major industrial disputes, economic and political changes or any abnormal circumstances which will adversely affect the operations of the Group;
- (f) there will be no significant changes inflation rate, prevailing cost of materials, labour and other operating costs essential for the Group's principal activities;
- (g) existing financing facilities (i.e. overdraft, term loans and finance lease) will remain available to the Group and at the prevailing interest rates;
- (h) there will be no material acquisition or disposal of businesses, fixed assets and investments other than those set out in this Circular;
- (i) there will be no material impairment in intangibles, property plant and equipment, contract assets and trade receivables other than that set out in this Circular;
- (j) taxation is assumed payable in the following year in which tax liabilities are determined. Deferred tax assets are not recognised unless it is probable that taxable profit will be available against which the deferred tax asset can be utilised;
- (k) selling prices in FY2025 are prepared on the basis of average forecast prices of the Company and its subsidiaries;
- (l) there will be no material exceptional income or expense item (i.e. exceptional non-operating items);
- (m) there will be no material changes in the relationships the Group has with its major suppliers which may affect the Group's business;
- (n) there will be no material legal litigation that results in claims against the Company and the Group which has not been duly provided for;
- (o) there will be no unexpected business interruptions by fire or other calamities, power failures or breakdowns and other events beyond the Group's control;
- (p) there will be no material change in the competitive environment in which the Group operates; and
- (q) there will be no material revenue reversal for the Company and the Group in relation to the findings from the review of the Additional Low-Risk Tanks Test Results (as defined on page 60 of the annual report of the Company for FY2024).

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**APPENDIX G – SINGAPORE VALUATION CERTIFICATE**

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## VALUATION CERTIFICATE

**Date of Certificate:** 6 June 2025

**Date of Valuation:** 4 June 2025

**Client:** CORDLIFE GROUP LIMITED

**Purpose of Valuation:** To determine Market Value(s) for the purpose of Voluntary Conditional Cash Partial Offer.

**Property Address:** 1 Yishun Industrial Street 1 #05-05/06/07/08/09 and #06-01/02/03/04/05/06/07/08/09 A'posh Bizhub Singapore 768160

**Type of Properties:** Five 5<sup>th</sup> storey flatted factory units and nine 6<sup>th</sup> storey flatted factory units located within A'Posh Bizhub.

**Legal Descriptions & Floor Areas:**  
(According to Subsidiary Strata Certificates of Title)

<u>Unit No.</u>	<u>Strata Lot No.</u>	<u>Floor Area (sq m)</u>
#05-05	MK 19 Lot U61164A	144.0
#05-06	MK 19 Lot U61167X	119.0
#05-07	MK 19 Lot U61170X	119.0
#05-08	MK 19 Lot U61173M	119.0
#05-09	MK 19 Lot U61176P	137.0
#06-01	MK 19 Lot U61256X	126.0
#06-02	MK 19 Lot U61257L	98.0
#06-03	MK 19 Lot U61258C	98.0
#06-04	MK 19 Lot U61259M	100.0
#06-05	MK 19 Lot U61260L	116.0
#06-06	MK 19 Lot U61261C	98.0
#06-07	MK 19 Lot U61262M	98.0
#06-08	MK 19 Lot U61263W	98.0
#06-09	MK 19 Lot U61264V	112.0
<b>Total</b>		<b>1,582.0 sq m (approx. 17,029 sq ft)</b>

**Tenure:** Leasehold 60 years commencing from 26 August 2010 – for all units

**Registered Proprietor(s):** CORDLIFE GROUP LIMITED – for all units

**Zoning:** Business 1 – According to Master Plan 2019 Edition

**Completion Date:** Circa 2012

**Accommodation:**

<u>Unit No.</u>	<u>Accommodation</u>
#05-05	- General factory area, 2 partitioned rooms.
#05-06	- General office area, 2 partitioned office rooms, Partitioned room, Store, Pantry.
#05-07	- General office area.
#05-08	- General office area.
#05-09	- General office area.
#06-01 to #06-04	- General office area, 2 partitioned office rooms, Printing room, Partitioned meeting room, Store.
#06-05 to #06-07	- General factory area (used as laboratory), Partitioned room.
#06-08 to #06-09	- General factory area.

**Valuation Approach:** Direct Comparison Method is adopted whereby sales transactions of comparable properties have been taken into consideration with regards to their location, tenure, age, floor area, design, layout, floor level, condition and standard of finishes amongst other factors.

**Basis of Valuation:** The certificate has been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2022 Edition. The Properties have been valued based on Market Value in existing use as at the Valuation Date.

"Market Value is the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

**Market Value  
as at 04 June 2025:**

<u>Unit No</u>	<u>Market Value</u>
#05-05	: S\$980,000
#05-06	: S\$831,000
#05-07	: S\$831,000
#05-08	: S\$831,000
#05-09	: S\$938,000
#06-01	: S\$869,000
#06-02	: S\$695,000
#06-03	: S\$695,000
#06-04	: S\$709,000
#06-05	: S\$809,000
#06-06	: S\$695,000
#06-07	: S\$695,000
#06-08	: S\$695,000
#06-09	: S\$784,000
<u>Total</u>	: <u>S\$11,057,000</u>

**Remarks:** The valuation has been made on the assumption that the properties are sold in the open market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement other than that mentioned above, that would serve to alter the value of the properties.

**Remarks:**

Where Market Value is assessed, it reflects the full contract value and no allowance has been made in our valuation for any charges, mortgages or amounts owing on the properties or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect value.

It is assumed that there has been no material change in the properties and to the surroundings since our last formal valuation report dated 24 January 2022. This revalidation is to provide an update to our last desktop report dated 13 January 2025 and is to be read in conjunction with our last formal valuation report dated 24 January 2022. We are of the opinion that there is no material difference between the valuations as at 13 January 2025 and 24 January 2022 compared to the valuations as at the current date (ie 04 June 2025).

**Disclaimers and General Comments**

We have prepared this valuation certificate on the Properties for the Client for the purpose mentioned above. All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/ parties whom the Client is contracting with.

The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers in the respective jurisdictions and have the necessary experience in valuing similar types of properties.

Signed for and on behalf of PREMAS Valuers & Property Consultants Pte Ltd



Ms Yvonne Tok, Director  
Appraiser's Licence No.: AD041-2008807B

(Our Ref: YT/WL/YT/191190)

## TERMS AND CONDITIONS

### PURPOSE

- 1) The Report is:
  - a. restricted to the use of the Client to whom this Report is addressed;
  - b. for the specific purpose stated therein; and
  - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the Valuation Date. We disclaim any liability arising from any reliance on the Report by any other person or for any other purpose or beyond a reasonable time.

### SCOPE OF WORK

- 2) The services provided will be limited to property valuation and will not constitute an audit, due diligence, tax related services, an independent validation of the projections, any form of regulated activity or any form of legal, financial or investment advice. Accordingly, we will not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries.
- 3) The Report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this Report or with reference to the Properties unless prior arrangements have been made and we are properly reimbursed.

### ASSUMPTIONS AND LIMITATIONS

- 4) We will provide our services using reasonable skill and care. We will act as an independent contractor and not as the Client's employee, agent, or partner.
- 5) The Client agrees to promptly provide (or cause others to so provide) information and assistance (including access to records, systems, premises and people) that we reasonably require to perform our services.
- 6) Where it is stated in the Report that information has been supplied to us by you or another party, this information is believed to be complete, reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from government or quasi-government departments. We will not undertake any obligation to update, correct or supplement any information contained in the Report.
- 7) The values assessed in this Report for the Properties and any allocation of values between parts of the Properties apply strictly on the terms of and for the purpose of this valuation (where applicable). The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- 8) While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects (where applicable). We have also not made any test on building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and such services are presumed to be in good working order (where applicable).
- 9) Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments (where applicable). We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The Client is advised to consult his solicitors on any matter concerning the title(s) (where applicable).
- 10) Any plans that are included in this Report are meant for identification purposes and to assist the Client in visualising the Properties (where applicable). The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the Properties and assume no responsibility in connection with such matters (where applicable).
- 11) We have not taken into account any plant and machinery in our valuation.
- 12) We have not made any requisition for a Road Line Plan or drainage proposal (where applicable). We have also not made any application for information/documents in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by the Client (where applicable).
- 13) As matters concerning compulsory acquisitions by the government are confidential, we are unable to provide information relating to government acquisitions unless the Properties have already been gazetted for acquisition (where applicable).
- 14) Our valuation assumes that the Properties, as currently used, are in compliance with the existing land use zoning and are not in contravention of any planning rules or regulations (where applicable).
- 15) Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid (where applicable).
- 16) Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the Properties (where applicable).
- 17) Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy (where applicable).

- 18) Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not meet all the criteria of a normal market transaction. Such Forced Sale Value is not a representation of the market value (where applicable).

#### **LIMITATION OF LIABILITY**

- 19) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
- a) any direct loss of profit;
  - b) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
- 20) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
- 21) Where you or a third party has caused or contributed to losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of such liability.
- 22) Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third-party services or products being incidental to or necessary for the provision of our services to you (where applicable).
- 23) Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to one time the fees paid for each instruction accepted. This clause shall survive termination of this agreement.
- 24) Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.

#### **FORCE MAJEURE**

- 25) We shall be released from our obligations under this agreement to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.

#### **CONFIDENTIALITY**

- 26) We irrevocably and unconditionally undertake to use, preserve and keep all information that is provided to us in connection with this agreement in whatever form for our confidential use only and to not disclose the existence or terms hereof to any party without your prior written consent, and then only on a confidential and "need to know" basis in connection with this agreement. Provided that we may disclose such information to our affiliates, members, shareholders, directors, officers, partners, principals, employees and subcontractors in connection with providing our services under this agreement.
- 27) Except as otherwise provided for in this agreement, neither the whole nor any part of this Report or any reference to it may be included in any document, circular, statement, correspondence or publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
- 28) Except as otherwise provided for in this agreement, the Client may not disclose any portion or summary of the Report, or refer to Premas or to any other affiliate in connection with our services under this agreement, except: to entities under common control of the Client, to the Client's professional advisors in connection with their services, to the extent and for the purposes required by applicable law, or to another person (with Premas's prior written consent) who may use it only as specified in such consent, provided in all cases that where relevant the Client shall ensure the recipients comply with these disclosure restrictions.
- 29) Neither Premas nor the Client may use or reference the other's name, logos, or trademarks without its prior written consent, except that Premas may use the Client's name publicly to identify the Client as a client in connection with specific services or otherwise.
- 30) Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our Report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so to named parties, subject to payment of additional fees.

These fees are exclusive of GST & expenses (including the cost of re-addressing the Report) and are subject to a minimum fee of SGD\$1,000. Should additional work be involved, over and above that undertaken to provide the initially contemplated Report, we may make a further charge although we will agree this with you before commencing the work.

- 31) Where we consent to reliance on our Report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree

to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions. When disclosing the Report or any portion thereof to such addressee, the Client shall not alter, edit, or modify it from the form provided by Premas.

## INDEMNITIES

- 32) The Client indemnifies us, our affiliates, and our respective directors, officers, employees and agents against all liability arising out of any claims in respect of any loss suffered by the Client that was caused by or contributed to by: (i) the Client's breach of the terms of this agreement, (ii) the Client's breach of any duty in tort (including, without limitation, negligence), or (iii) any wrongful conduct, act or omission by the Client (including, without limitation, misleading or deceptive conduct). This expressly includes any costs incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any unauthorised person or entity who obtained the Report through you without our express written consent in accordance with this agreement.
- 33) Save where we have consented to another party or other parties relying on the Report in accordance with clauses 30 and 31, where a Report is prepared or where we consent to a Report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 23) which arises from their use of and/or reliance on the Report.
- 34) If we receive a subpoena or other judicial request to produce documents or a request to provide testimony involving this agreement in connection with a lawsuit or proceeding, we will notify you immediately so that you can take action to challenge that request if you see fit. However, if we are not a party to these proceedings, you agree to compensate us for the professional time and reimburse us for the actual expense that we incur in responding to this request, including attorneys' fees, if any, as they are incurred. We will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or request for testimony.

## INTELLECTUAL PROPERTY

- 35) We retain ownership of the intellectual property rights in the Report and we provide you with an irrevocable, non-transferrable and royalty-free license (with no right to sub-licence) to use the intellectual property for the purpose or purposes stated in the Report. The Client agrees to prevent unauthorized use, copying, or disclosure of the Report. The Client may not without our prior written consent: (i) copy, modify or create derivative works based on the Report, (ii) allow any third party to copy, modify or otherwise use the Report, or (iii) use the Report in any manner that infringes, misappropriates, or violates any intellectual property rights or other rights of us or any third party. The Client warrants that use of any material it provides to us for the purpose of the Report will not infringe the intellectual property rights of any other person.

## PRIVACY

- 36) We may collect personal information about the Client in the course of performing the services in this agreement. Your personal information will be processed in accordance with: (i) our statutory obligations as specified in applicable privacy laws and (ii) our privacy statement which can be accessed at <https://www.cushmanwakefield.com/en/global-privacy-notice>.

## GOVERNING LAW

- 37) This agreement shall be subject to Singapore laws. The parties in the letter of engagement submit to the exclusive jurisdiction of the Courts in Singapore for settling any dispute arising out of the agreement.

## COMPLIANCE

- 38) CLIENT WARRANTIES. Neither the Client nor any of its shareholders, owners, directors, officers, or employees is:
- a. Blocked, debarred, designated, excluded, sanctioned, or denied import or export privileges under any applicable laws related to the import and export of goods/technology/services, economic or financial sanctions, trade embargoes, or other restrictions on trade ("Sanctions and Trade Controls");
  - b. Located in, resident in or organized under the laws of a country or territory which is a subject of country-wide or territory-wide Sanctions and Trade Controls (e.g., Crimea, Cuba, Iran, Syria, or North Korea); or
  - c. Currently, or within the past five (5) years has been, engaged in any activity that could reasonably be expected to result in any violation of any applicable laws related to money laundering, terrorist financing, or related financial recordkeeping and reporting requirements ("AML Laws").
- 39) COMPLIANCE WITH LAW. In connection with performance of this agreement, the Client and its shareholders, owners, directors, officers, and employees comply with, will comply with, and will not cause us to violate any applicable laws ("Applicable Laws"), including, but not limited to:
- a. Applicable Laws related to anti-bribery or anti-corruption ("Anti-Corruption Laws"), including, but not limited to, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act of 2010;
  - b. Applicable Laws related to Sanctions and Trade Controls, including, but not limited to, those administered and enforced by the United States (e.g., U.S. Export Administration Regulations, the International Traffic in Arms Regulations, U.S. Antiboycott Regulations) and the United Kingdom (e.g., as administered and enforced by the Office of Financial Sanctions Implementation); and
  - c. Applicable AML Laws, including, but not limited to, the Bank Secrecy Act, Money Laundering Control Act of 1986, USA PATRIOT Act, EU Money Laundering Directives, UK Prevention of Terrorism Act 2005, UK Serious Organised Crime and Police Act 2005, UK Money Laundering Regulations 2003, UK Proceeds of Crime Act 2002, and UK Anti-Terrorism, Crime and Security Act 2001.
- 40) If the Client becomes aware of any suspected or actual violation of Applicable Laws, in connection with performance of this agreement, the Client will immediately notify us, unless prohibited by law.



## **THIRD PARTIES**

- 41) A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act (Cap 53B) to enforce any terms hereunder. Notwithstanding any terms of this agreement, the consent of any third party is not required to vary, release or compromise any liability or terminate any of the terms of this agreement.

## **SURVIVAL OF TERMINATION**

- 42) This agreement shall terminate on the completion of our services. Our respective confidentiality obligations under this agreement shall continue indefinitely following the termination of this agreement. The other provisions of this agreement that give either party rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement.

## **SEVERABILITY**

- 43) If the whole or part of any term of this agreement becomes illegal, invalid or unenforceable for any reason, such term will be deemed deleted from this agreement without affecting the remaining terms.

## **ENTIRE AGREEMENT**

- 44) This agreement constitutes the entire agreement between the parties as to the services and other matters it covers, and supersedes all prior agreements, understandings, and representations with respect thereto, including any previously agreed confidentiality agreements. In the event of any conflict or inconsistency between the terms in the letter of engagement, Appendix A or any other part of the agreement between the parties, the following order of priority shall apply: (i) letter of engagement and Appendix A, (ii) any other document incorporated by reference into this contract or otherwise agreed by the parties to form part of the contract, and (iv) any other specific request or information agreed by the parties as applying to the services.
- 45) No further amendment or modification of the terms of this agreement shall be valid or binding unless made in writing and executed on behalf of the parties by their duly authorized officers.

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## **APPENDIX H – MALAYSIA VALUATION CERTIFICATES**

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**VPC Alliance (KL) Sdn Bhd** (Co. No. 199001001276 (192837-V)

(formerly known as Vigers (KL) Sdn Bhd)

**International Property Consultants, Valuers & Estate Agents**

Suite 1701, 17th Floor Wisma Chuang,  
34, Jalan Sultan Ismail,  
50250 Kuala Lumpur,  
Malaysia.

Tel : 603-2148 8968  
Fax : 603-2141 2933  
Email : [vpcakl@vpc.com.my](mailto:vpcakl@vpc.com.my)  
Website : [www.vpc.com.my](http://www.vpc.com.my)

**VPC**  
ASIA PACIFIC

V(1) 0009

Our Ref: VPC/V/256/25

3<sup>rd</sup> June 2025

The Directors  
Stemlife Properties Sdn Bhd  
Unit No. B-8-15, Megan Avenue II  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

Attention: Miss Janelle Tan/Miss See Leng Ling

Dear Sirs

**VALUATION CERTIFICATE OF STRATA TITLE GERAN 37731/ M1B/8/194, PARCEL NO. 194, LEVEL NO. 8, BUILDING NO. M1B, LOT NO. 144, SEKSYEN 44, BANDAR AND DISTRICT OF KUALA LUMPUR AND STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (UNIT NO. B-8-15, BLOCK B, MEGAN AVENUE II, NO. 12, JALAN YAP KWAN SENG, 50450 KUALA LUMPUR)****[Registered Proprietor: Stemlife Properties Sdn Bhd]**

We thank you for your instructions to provide an update on the Market Value of the abovementioned property for the purpose of Voluntary Conditional Cash Partial Offer as at 3<sup>rd</sup> June 2025 which was previously done by our Company as at 31<sup>st</sup> December 2024 under Ref No. VPC/V/537/24.

Salient information of the Subject Property is as follows:

Legal Description	Geran 37731/ M1B/8/194, Parcel No. 194, Level No. 8, Building No. M1B, Lot No. 144, Seksyen 44, Bandar and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur
Postal Address	Unit No. B-8-15, Block B, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur
Type of property	A corner office unit with renovations
Built Up Area	344 square metres (3,703 square feet)
Category of Land Use	Building
Tenure	Freehold
Registered Owner	Stemlife Properties Sdn Bhd

**Directors**

James Wong FRSM, BA (Hons) FPEPS  
Tan Beng Sooi ANZIV, FRISM, MRICS  
Kelvin Tan MRICS, MRISM  
Francis Loh PJK, FRICS, FRISM, FPEPS  
Datuk Kenneth Yen FRICS, FRISM  
Caroline Sebangkit B.Sc. FRISA, MRICS  
Chew Kwong Cheong MPEPS MRISM  
Tan Lee Kang  
B.Sc., MRICS, MRISM, IRRV, MCMI, MPEPS  
Gary Wong MRICS, MISMA, ARMIT (Melb)  
Zoinita Zainuddin B.Sc. Urban Land Admin  
Dato' Mani Usilappan  
FPEPS, MRICS, FPEPS, MIFPM, ICVS Misc (London)

**Malaysia**

Kuala Lumpur  
Johor Bahru  
Penang  
Alor Setar  
Petaling Jaya  
Kota Kinabalu  
Kuching  
Mentakab  
Kajang  
Sandakan

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Singapore  
Phnom Penh  
New Delhi, Jaipur  
Ho Chi Minh City  
Hanoi  
Shenzhen, Shanghai  
Hong Kong

We are of opinion that there is no material difference between the valuation as at 31<sup>st</sup> December 2024 and a valuation as at the current date.

**BASIS OF VALUATION**

In accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, "Market Value" is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

**METHOD OF VALUATION**

In arriving at the Market Value of the subject property, we have adopted the Comparison Approach which in our opinion is the most suitable method as the subject property is a stratified unit and owner occupied. Recent transactions of similar office units within Megan Avenue II are analysed for comparison purposes and adjustments made for the improvements and finishes of the office unit, location, floor area and floor level.

**VALUATION**


Based on the Comparison Approach, we assess the Market Value of Strata Title Geran 37731/ M1B/8/194, Parcel No. 194, Level No. 8, Building No. M1B, Lot No. 144, Seksyen 44, Bandar and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur, being a corner office unit with renovations bearing postal address Unit No. B-8-15, Block B, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, with a surveyed floor area of 344 square metres (3,703 square feet) held under freehold tenure, with vacant possession and free from encumbrances, as at 3<sup>rd</sup> June 2025 is at **RM2,360,000/-**.

**(Ringgit Malaysia: Two Million Three Hundred And Sixty Thousand Only.)**

This Certificate should be read together with and forms part of our Valuation Report under Ref. VPC/V/537/24 dated 31st December 2024.

**CERTIFICATION**

This Certificate of Valuation has been prepared by:

  
**JAMES WONG KWONG ONN**  
FRISM, BA (Hons), FPEPS  
Registered Valuer (V 217)  
Malaysia

---

VPC ALLIANCE (KL) SDN BHD  
VPC/V/256/25  
JW/fathi

**VPC Alliance (KL) Sdn Bhd** (Co. No. 199001001276 (192837-V)

(formerly known as Vigers (KL) Sdn Bhd)

**International Property Consultants, Valuers & Estate Agents**

Suite 1701, 17th Floor Wisma Chuang,  
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50250 Kuala Lumpur,  
Malaysia.

Tel : 603-2148 8968  
Fax : 603-2141 2933  
Email : vpcakl@vpc.com.my  
Website : www.vpc.com.my

**VPC**  
ASIA PACIFIC

V(1) 0009

**Our Ref: VPC/V/257/25****3<sup>rd</sup> June 2025**

**The Directors**  
**Stemlife Properties Sdn Bhd**  
**Unit No. B-8-15, Megan Avenue II**  
**No. 12, Jalan Yap Kwan Seng**  
**50450 Kuala Lumpur**

**Attention: Miss Janelle Tan/Miss See Leng Ling****Dear Sirs**

**VALUATION CERTIFICATE OF STRATA TITLE NO. GERAN 37731/M1B/7/179, PARCEL NO. 179, LEVEL NO. 7, BUILDING NO. M1B, LOT NO. 144, SECTION 44, BANDAR KUALA LUMPUR AND STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (UNIT NO. B-7-15, BLOCK B, MEGAN AVENUE II, NO. 12, JALAN YAP KWAN SENG, 50450 KUALA LUMPUR)**

**[Registered Owner: Stemlife Properties Sdn Bhd]**

We thank you for your instructions to provide an update on the Market Value of the abovementioned property for the purpose of Voluntary Conditional Cash Partial Offer as at 3<sup>rd</sup> June 2025 which was previously done by our Company as at 31<sup>st</sup> December 2024 under Ref No. VPC/V/536/24.

**Salient information of the Subject Property is as follows:**

<b>Legal Description</b>	<b>Strata Title Geran 37731/ M1B/7/179, Parcel No. 179, Level No. 7, Building No. M1B, Lot No. 144 Seksyen 44, Bandar and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur</b>
<b>Postal Address</b>	<b>Unit No. B-7-15, Block B, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur</b>
<b>Type of property</b>	<b>A corner office unit</b>
<b>Built Up Area</b>	<b>3,703 square feet (344 square metres)</b>
<b>Category of Land Use</b>	<b>Building</b>
<b>Tenure</b>	<b>Freehold</b>
<b>Registered Owner</b>	<b>Stemlife Properties Sdn Bhd</b>

**Directors**

James Wong FRISM, BA (Hons) FPEPS  
Tan Beng Sooi ANZIV, FRISM, MRICS  
Kelvin Tan MRICS, MRISM  
Francis Loh PIK, FRICS, FRISM, FPEPS  
Datuk Kenneth Yen FRICS, FRISM  
Caroline Sebangkit B.Sc. FRISM, MRICS  
Chew Kwong Cheong MPEPS MRISM  
Tan Lee Kang  
B.Sc., MRICS, MRISM, IRRV, MCMI, MPEPS  
Gary Wong MRICS, MISM, ARMIT (Malb)  
Zoinita Zainuddin B.Sc. Urban Land Admin  
Dato' Mani Usilappan  
PRISM, MRICS, FPEPS, MRPPM, ICVS Msc (London)

**Malaysia**

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New Delhi, Jaipur  
Ho Chi Minh City  
Hanoi  
Shenzhen, Shanghai  
Hong Kong

We are of the opinion that there is no material difference between the valuation as at 31st December 2024 and a valuation as at the current date.

## **BASIS OF VALUATION**

In accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, "Market Value" is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

## **METHOD OF VALUATION**

In arriving at the Market Value of the subject property, we have adopted the Comparison Approach which in our opinion is the most suitable method as the subject property is a stratified office unit and owner occupied. . Recent transactions of similar office units within Megan Avenue II are analysed for comparison purposes and adjustments made for the improvements and finishes of the office unit, location, floor area and floor level

## **VALUATION**


Based on the Comparison Approach, we assess the Market Value of Strata Title Geran 37731/ M1B/7/179, Parcel No. 179, Level No. 7, Building No. M1B, Lot No. 144 Seksyen 44, Bandar and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur, together with a corner office unit bearing postal address Unit No. B-7-15, Block B ,Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, with a surveyed floor area of 3,703 square feet (344 square metres), held under freehold tenure, with vacant possession and free from encumbrances, as at 3<sup>rd</sup> June 2025 is at **RM2,210,000/-**.

**(Ringgit Malaysia: Two Million Two Hundred And Ten Thousand Only.)**

This Certificate should be read together with and forms part of our Valuation Report under Ref. VPC/V/536/24 dated 31<sup>st</sup> December 2024.

## **CERTIFICATION**

This Certificate of Valuation has been prepared by:-



**JAMES WONG KWONG ONN**  
FRISM, BA (Hons), FPEPS  
Registered Valuer (V 217)  
Malaysia

---

VPC ALLIANCE (KL) SDN BHD  
VPC/V/257/25  
JW/fathi

**VPC Alliance (KL) Sdn Bhd** (Co. No. 199001001276 (192837-V)

(formerly known as Vigers (KL) Sdn Bhd)

**International Property Consultants, Valuers & Estate Agents**

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Fax : 603-2141 2933  
Email : vpcakl@vpc.com.my  
Website : www.vpc.com.my

**VPC**  
ASIA PACIFIC

V(1) 0009

**Our Ref: VPC/V/258/25****3<sup>rd</sup> June 2025**

The Directors  
Stemlife Properties Sdn Bhd  
Unit No. B-8-15, Megan Avenue II  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

**Attention: Miss Janelle Tan/Miss See Leng Ling****Dear Sirs**

**VALUATION CERTIFICATE OF STRATA TITLE NOS PN 156554/M1/1/30 PARCEL NO. 30, LEVEL NO. 1, PN 156554/M1/2/72 PARCEL NO. 72, LEVEL NO. 2, PN 156554/M1/3/104, PARCEL NO. 104, LEVEL NO. 3 AND PN 156554/M1/4/141, PARCEL NO. 141, LEVEL NO. 4, ALL IN BUILDING NO. M1, LOT NO. 9863N, BANDAR IPOH(U), DISTRICT OF KINTA AND STATE OF PERAK DARUL RIDZUAN (UNIT NOS. B-G-8, B-1-8, B-2-8 & B-3-8, GREENTOWN SQUARE, JALAN DATO SERI AHMAD SAID, 30450 IPOH, PERAK DARUL RIDZUAN) (Registered Owner: Stemlife Properties Sdn Bhd)**

We thank you for your instructions to provide an update on the Market Value of the abovementioned property for the purpose of Voluntary Conditional Cash Partial Offer as at 3<sup>rd</sup> June 2025 which was previously done by our Company as at 31<sup>st</sup> December 2024 under Ref No. VPC/V/534/24.

**Salient information of the Subject Property is as follows:**

<b>Legal Description</b>	Strata Title Nos PN 156554/M1/1/30 Parcel No. 30, Level No. 1, PN 156554/M1/2/72 Parcel No. 72, Level No. 2, PN 156554/M1/3/104 Parcel No. 104, Level No. 3 & PN 156554/M1/4/141 Parcel No. 141, Level No. 4, all in Building No. M1, Lot. 9863N, Bandar Ipoh(U), District of Kinta and State of Perak Darul Ridzuan
<b>Postal Address</b>	Unit Nos. B-G-8, B-1-8, B-2-8 & B-3-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan, with a total surveyed floor area of 5,491 square feet (510 square metres)
<b>Type of property</b>	A corner 4-storey retail cum office building
<b>Surveyed Floor Area</b>	B-G-8 - 112 sq metres (1,206 sq feet) B-1-8 - 132 sq metres (1,421 sq feet) B-2-8 - 133 sq metres (1,432 sq feet) B-3-8 - 133 sq metres (1,432 sq feet)
<b>Category of Land Use</b>	Building
<b>Tenure</b>	99 years lease expiring on 1 <sup>st</sup> October 2102
<b>Registered Owner</b>	Stemlife Properties Sdn Bhd

**Directors**

James Wong FRIS,BA (Hons) FPEPS  
Tan Beng Sooi ANZIV, FRIS, MRICS  
Kelvin Tan MRICS, MRISAM  
Francis Loh PIK, FRICS, FRISAM, FPEPS  
Datuk Kenneth Yen FRICS, FRISAM  
Caroline Sebangkit B.Sc. FRISAM, MRICS  
Chew Kwong Cheong MPEPS MRISAM  
Tan Lee Kang B.Sc., MRICS, MRISAM, IRRV, MCIML, MPEPS  
Gary Wong MRICS, MISAM, ARMIT (Melb)  
Zoinita Zainuddin B.Sc. Urban Land Admin  
Dato' Mani Usilappan PPBSM, MRICS, FPEPS, MIFPM, ICVS Misc (London)

**Malaysia**

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Ho Chi Minh City  
Hanoi  
Shenzhen, Shanghai  
Hong Kong

We are of the opinion that there is no material difference between the valuation as at 31st December 2024 and a valuation as at the current date.



## **BASIS OF VALUATION**

In accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, "Market Value" is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

## **METHOD OF VALUATION**

In arriving at the Market Value of the subject property, we have adopted the Comparison Approach of Valuation which in our opinion is the most suitable method as the subject property is a stratified unit.

## **VALUATION**

Based on the Comparison Approach, we assess the Market Value of Strata Title Nos. PN 156554/M1/1/30 Parcel No. 30, Level No. 1, PN 156554/M1/2/72 Parcel No. 72, Level No. 2, PN 156554/M1/3/104 Parcel No. 104, Level No. 3 & PN 156554/M1/4/141 Parcel No. 141, Level No. 4, all in Building No. M1, Lot. 9863N, Bandar Ipoh(U), District of Kinta and State of Perak Darul Ridzuan being a corner 4-storey retail cum office building bearing postal address Unit Nos. B-G-8, B-1-8, B-2-8 & B-3-8, Greentown Square, Jalan Dato Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan, with a total surveyed floor area of 5,491 square feet (510 square metres), held under 99 years lease expiring on 1<sup>st</sup> October 2102, with vacant possession and free from encumbrances, as at 3<sup>rd</sup> June 2025 is at is **RM1,435,000/-**.

**(Ringgit Malaysia: One Million Four Hundred And Thirty Five Thousand Only.)**


These can be further breakdown as follows:

STRATA TITLE NO	UNIT NO.	SURVEYED FLOOR AREA	MARKET VALUE
PN 156554/M1/1/30	B-G-8	112 sq metres (1,206 sq feet)	RM610,000/-
PN 156554/M1/2/72	B-1-8	132 sq metres (1,421 sq feet)	RM290,000/-
PN 156554/M1/3/104	B-2-8	133 sq metres (1,432 sq feet)	RM275,000/-
PN 156554/M1/4/141	B-3-8	133 sq metres (1,432 sq feet)	RM260,000/-
<b>TOTAL</b>			<b>RM1,435,000/-</b>

This Certificate should be read together with and forms part of our Valuation Report under Ref. VPC/V/534/24 dated 31st December 2024.

## **CERTIFICATION**

This Certificate of Valuation has been prepared by:

  
**JAMES WONG KWONG ONN**  
 FRISM, BA (Hons), FPEPS  
 Registered Valuer (V 217)  
 Malaysia

VPC ALLIANCE (KL) SDN BHD  
 VPC/V/258/25  
 JW/fathi



**VPC Alliance (KL) Sdn Bhd** (Co. No. 199001001276 (192837-V))

(formerly known as Vigers (KL) Sdn Bhd)

**International Property Consultants, Valuers & Estate Agents**

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34, Jalan Sultan Ismail,  
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Tel : 603-2148 8968  
Fax : 603-2141 2933  
Email : vpcakl@vpc.com.my  
Website : www.vpc.com.my

**VPC**  
ASIA PACIFIC

V(1) 0009

Our Ref: VPC/V/260/25

3<sup>rd</sup> June 2025

The Directors  
Stemlife Properties Sdn Bhd  
Unit No. B-8-15, Megan Avenue II  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

Attention: Miss Janelle Tan/Miss See Leng Ling

Dear Sirs

**VALUATION CERTIFICATE OF STRATA TITLE GERAN 58372/M1/7/27, PARCEL NO. 27, LEVEL NO. 7, BUILDING NO. M1, LOT NO. 54301, MUKIM AND DISTRICT OF KUALA LUMPUR AND STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (UNIT NO. 6-06, 6<sup>TH</sup> FLOOR, WISMA PERINTIS, NO. 47, JALAN DUNGUN, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR)**  
**(Registered Owner: Stemlife Properties Sdn. Bhd.)**

We thank you for your instructions to provide an update on the Market Value of the abovementioned property for the purpose of Voluntary Conditional Cash Partial Offer as at 3<sup>rd</sup> June 2025 which was previously done by our Company as at 31st December 2024 under Ref No. VPC/V/535/24.

Salient information of the Subject Property is as follows:

Legal Description	Strata Title Geran 58372/M1/7/27, Parcel No. 27, Level No. 7, Building No. M1, Lot No. 54301, Mukim and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur
Postal Address	Unit No. 6-06, 6 <sup>th</sup> Floor, Wisma Perintis, No. 47, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur
Type of property	A corner office
Built Up Area	883 square feet (82 square metres)
Category of Land Use	Building
Tenure	Freehold
Registered Owner	Stemlife Properties Sdn Bhd

**Directors**

James Wong FRIS,BA (Hons) FPEPS  
Tan Beng Sooi ANZIV, FRIS, MRICS  
Kelvin Tan MRICS, MRISM  
Francis Loh PJK, FRICS, FRIS, FPEPS  
Datuk Kenneth Yen FRICS, FRIS  
Caroline Sebangkit B.Sc. FRIS, MRICS  
Chew Kwong Cheong MPEPS MRISM  
Tan Lee Kang  
B.Sc., MRICS, MRISM, IRIS, MCM, MPEPS  
Gary Wong MRICS, MISM, ARMIT (Melb)  
Zoinita Zainuddin B.Sc. Urban Land Admin  
Dato' Mani Usilappan  
PPRISM, MRICS, FPEPS, MIFPM, ICVS Msc (London)

**Malaysia**

Kuala Lumpur  
Johor Bahru  
Penang  
Alor Setar  
Petaling Jaya  
Kota Kinabalu  
Kuching  
Mentakab  
Kajang  
Sandakan

**Overseas Associate Offices**

Bangkok  
Jakarta, Surabaya  
Tokyo  
Singapore  
Phnom Penh  
New Delhi, Jaipur  
Ho Chi Minh City  
Hanoi  
Shenzhen, Shanghai  
Hong Kong

We are of the opinion that there is no material difference between the valuation as at 31st December 2024 and a valuation as at the current date.

**BASIS OF VALUATION**

In accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, "Market Value" is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

**METHOD OF VALUATION**

In arriving at the Market Value of the subject property, we have adopted the Comparison Approach of Valuation which in our opinion is the most suitable method as the subject property is a stratified unit. Recent transactions of similar offices within the vicinity are analysed for comparison purposes, with adjustments made in term of improvements and finishes of the office units.

**VALUATION**

Based on the Comparison Approach, we assess the Market Value of Strata Title Geran 58372/M1/7/27, Parcel No. 27, Level No. 7, Building No. M1, Lot No. 54301, Mukim and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur, being a corner office unit bearing postal address Unit No. 6-06, 6<sup>th</sup> Floor, Wisma Perintis, No. 47, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur, with a surveyed floor area of 883 square feet (82 square metres), held under freehold tenure with vacant possession and free from encumbrances, as at 3<sup>rd</sup> June 2025 is at **RM770,000/-**.

**(Ringgit Malaysia: Seven Hundred And Seventy Thousand Only.)**

This Certificate should be read together with and forms part of our Valuation Report under Ref. VPC/V/535/24 dated 31st December 2024.

**CERTIFICATION**

This Certificate of Valuation has been prepared by:



**JAMES WONG KWONG ONN**  
FRISM, BA (Hons), FPEPS  
Registered Valuer (V 217)  
Malaysia

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VPC ALLIANCE (KL) SDN BHD  
VPC/V/260/25  
JW

**VPC Alliance (KL) Sdn Bhd** (Co. No. 199001001276 (192837-V)(formerly known as *Vigers (KL) Sdn Bhd*)**International Property Consultants, Valuers & Estate Agents**

Suite 1701, 17th Floor Wisma Chuang,  
34, Jalan Sultan Ismail,  
50250 Kuala Lumpur,  
Malaysia.

Tel : 603-2148 8968  
Fax : 603-2141 2933  
Email : [vpckl@vpc.com.my](mailto:vpckl@vpc.com.my)  
Website : [www.vpc.com.my](http://www.vpc.com.my)

**VPC**  
ASIA PACIFIC

V(1) 0009

**Our Ref: VPC-V/EEIAI/(CV-Update)/KT/HV/pc3/25 w-343****3<sup>rd</sup> June 2025****The Directors**

**Stemlife Properties Sdn Bhd**  
Unit No. B-8-15, Megan Avenue II  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

**Attention: Miss Janelle Tan/Miss See Leng Ling****Dear Sirs****VALUATION CERTIFICATE OF GRANT 19902 LOT NO. 443, SECTION 4, TOWN OF GEORGETOWN, NORTH EAST DISTRICT, PENANG (NO. 220, JALAN BURMA 10350 PENANG)****[Registered Proprietor: Stemlife Properties Sdn Bhd]**

We thank you for your instructions to provide an update on the Market Value of the abovementioned property for the purpose of Voluntary Conditional Cash Partial Offer as at 3<sup>rd</sup> June 2025 which was previously done by our Company as at 14th December 2024 under Ref No. VPC-V/EEIAI/KT/HV/pc3/24 w-342.

**Salient information of the Subject Property is as follows:**

Legal Description	Grant 19902 Lot No. 443, Section 4, Town of Georgetown, North East District, Penang
Postal Address	No. 220, Jalan Burma 10350 Penang
Type of property	A corner double storey terrace house renovated into a shop office but currently in a dilapidated condition
Surveyed Land Area	301.6463 square metres (3,247 square feet)
Category of Land Use	Nil
Tenure	Freehold
Registered Owner	Stemlife Properties Sdn Bhd

**Directors**

James Wong FRISM, BA (Hons) FPEPS  
Tan Beng Sooi ANZIV, FRISM, MRICS  
Kelvin Tan MRICS, MRISM  
Francis Loh PJK, FRICS, FRISM, FPEPS  
Datuk Kenneth Yen FRICS, FRISM  
Caroline Sebangkit B.Sc. FRISM, MRICS  
Chew Kwong Cheong MPEPS MRISM  
Tan Lee Kang  
B.Sc., MRICS, MRISM, IRRV, MCOM, MPEPS  
Gary Wong MRICS, MISM, ARMIT (Malb)  
Zoinita Zainuddin B.Sc. Urban Land Admin  
Dato' Mani Usilappan  
PPRISM, MRICS, FPEPS, MIPPM, ICVS Msc (London)

We are of the opinion that there is no material difference between the valuation as at 14<sup>th</sup> December 2024 and a valuation as at the current date.

**BASIS OF VALUATION**

In accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, "Market Value" is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

**Malaysia**

Kuala Lumpur  
Johor Bahru  
Penang  
Alor Setar  
Petaling Jaya  
Kota Kinabalu  
Kuching  
Mentakab  
Kajang  
Sandakan

**Overseas Associate Offices**

Bangkok  
Jakarta, Surabaya  
Tokyo  
Singapore  
Phnom Penh  
New Delhi, Jaipur  
Ho Chi Minh City  
Hanoi  
Shenzhen, Shanghai  
Hong Kong

**METHOD OF VALUATION**

In arriving at the Market Value of the subject property, we have adopted the Comparison Approach which in our opinion is the most suitable method as the subject property. Recent transactions of double storey terrace houses within the vicinity are analysed for comparison purposes, with adjustments made in term of improvements and finishes.

**VALUATION**


Based on the Comparison Approach, we assess the Market Value of Grant 19902 Lot No. 443, Section 4, Town of Georgetown, North East District, Penang a corner double storey terrace house renovated into a shop office but currently in a dilapidated condition bearing postal No. 220, Jalan Burma 10350 Penang. with a surveyed land area of 301.6463 square metres (3,247 square feet) held under freehold tenure, with vacant possession and free from encumbrances, as at 3<sup>rd</sup> June 2025 is at **RM4,200,000/-**.

**(Ringgit Malaysia: Four Million And Two Hundred Thousand Only.)**

This Certificate should be read together with and forms part of our Valuation Report under Ref. VPC-V/EEIA/KT/HV/pc3/24 w-342 dated 14<sup>th</sup> December 2024.

**CERTIFICATION**

This Certificate of Valuation has been prepared by:



**JAMES WONG KWONG ONN**  
FRISM, BA (Hons), FPEPS  
Registered Valuer (V 217)  
Malaysia

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VPC ALLIANCE (KL) SDN BHD

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## APPENDIX I – INDIA VALUATION REPORT

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# **VALUATION OF FIXED ASSET**

**REPORT ON VALUATION OF THE  
PROPERTY (LAND & FOUR STORIED  
BUILDING) LOCATED AT MOUZA-  
BISHNUPUR, J.L. NO.30, PARGANA -  
MAGURA, TOUZI NO.-1, P.S. - BISHNUPUR,  
DIST - SOUTH 24 PARGANAS.**

OWNER OF THE PROPERTY

**M/S CORDLIFE SCIENCES INDIA PVT. LTD.**

REFERENCE TO VALUATION

As advised by

**M/S CORDLIFE SCIENCES INDIA PVT. LTD.**

**VALUER**

**GLOBAL ENGINEERING SERVICES**

ARCHITECTS, ENGINEERS, PLANNERS, VALUERS & CONSULTANTS,  
EMPANELLED VALUER OF BANKS & CORPORATES

531 , Mahatma Gandhi Road , Haridebpur (Tollygung) , Kolkata – 700082.  
161(109/A), N.C.Ghosh Sarani, P.O.:Sheoraphuli,Dt.:Hooghly, Pin:712223  
Phone : 9831178597, 9830032032, Fax :033-26324393, E-mail :[globaleng40@gmail.co](mailto:globaleng40@gmail.co)





# GLOBAL ENGINEERING SERVICES

ARCHITECTS, ENGINEERS, PLANNERS, VALUERS & CONSULTANTS

531, Mahatma Gandhi Road, Haridebpur (Tollygunge), Kolkata – 700082.

161(109/A), N.C.Ghosh Sarani, P.O.:Sheoraphuli,Dt.:Hooghly, Pin:712223.

Phone : 9831178597, 9830032032, Fax :033-26324393, E-mail :[globaleng40@gmail.com](mailto:globaleng40@gmail.com)

**Report on Valuation of the property (Land & Building) located at Mouza-Bishnupur, J.L. No.30, Pargana -Magura, Touzi No.-1, P.S. - Bishnupur, Dist - South 24 Parganas.**

Value as on 04.06.2025

**Owner : M/s Cordlife Sciences India Pvt. Ltd.**

1. Under whose direction Valuation was carried out : **M/s Cordlife Sciences India Pvt. Ltd.**
2. Purpose of Valuation : To ascertain present Fair Market Value of the property for the purpose of Voluntary Conditional Cash Partial Offer by Primepartners Corporate Finance Pvt. Ltd. for and on behalf of Medeze Treasury Pvt. Ltd. to acquire 25,630,774 of the issued shares in the capital of Cordlife Group Limited, Singapore.
3. Date of Valuation : 04.06.2025.
4. Papers / documents furnished : Photo Copy of Title Deeds, Sanctioned Plan, Parcha
5. Name of the owner : **M/s Cordlife Sciences India Pvt. Ltd.**  
Occupied by : **M/s Cordlife Sciences India Pvt. Ltd.**
6. Sale Deed executed on :  
7. Place where Register :  
8. Deed No. : **As per Annexure A**  
9. Consideration mentioned there on :
10. Free hold / lease hold : Free hold  
Property Details : Plot of Land of area **42.95 Decimal** along with a G+3 storied Commercial building on it  
Mutation : Done  
Conversion : Done



# GLOBAL ENGINEERING SERVICES

ARCHITECTS, ENGINEERS, PLANNERS, VALUERS & CONSULTANTS

531, Mahatma Gandhi Road, Haridebpur (Tollygung), Kolkata - 700082.

161(109/A), N.C.Ghosh Sarani, P.O.:Sheoraphuli,Dt.:Hooghly, Pin:712223.

Phone : 9831178597, 9830032032, Fax :033-26324393, E-mail :[globaleng40@gmail.com](mailto:globaleng40@gmail.com)

11. Location : Mouza- Bishnupur, J.L. No.30, Pargana -Magura, Touzi No.-1, P.S. - Bishnupur, Dist - South 24 Parganas, Under Paschim Bishnupur Gram Panchayat
- a) Municipality / Panchayet : Under Paschim Bishnupur Gram Panchayat
- b) Locational advantage/ Disadvantage : No such disadvantage observed.
12. Civic Amenities : All normal civic amenities are available at a reasonable distance from site.
13. Communications : The locality is mainly served by D.H. Road, through which all types of road communications are available.
14. Description
- Land : The plot of land, covers an area of **42.95 Decimals more or less (as per deed)** is free hold in nature. It is a developed plot demarcated by Compound wall.
- Building & Structure
- It is a four storied RCC framed structure, and provided with brick wall, RCC roof, wooden doors, windows, Special flooring, paint on inside walls and on outside walls.
- The Building stands on Pile foundation. It is equipped with proper electric lines, plumbing works & sanitary installations. Water is obtained from Self bore well and sewer line is disposed to self-septic tank.
- The Building is decorated by means of interior value-added treatments, costly fittings and fixtures etc.





# GLOBAL ENGINEERING SERVICES

ARCHITECTS, ENGINEERS, PLANNERS, VALUERS & CONSULTANTS

531, Mahatma Gandhi Road, Haridebpur (Tollygung), Kolkata – 700082.

161(109/A), N.C.Ghosh Sarani, P.O.:Sheoraphuli,Dt.:Hooghly, Pin:712223.

Phone : 9831178597, 9830032032, Fax :033-26324393, E-mail :[globaleng40@gmail.com](mailto:globaleng40@gmail.com)

- a) Sanctioned Plan : Building Plan Sanctioned from Paschim Bishnupur Gram Panchayat dated 20.08.2007
- b) Year of construction : 17 years old.
- c) Expected Res. Life : 63 years, if maintained properly.
- d) Mode of maintenance : Good.

## 15. Methodology of Valuation

### Land

: The Plot of Land is located at Mouza- Bishnupur, J.L. No.30, Pargana -Magura, Touzi No.-1, P.S. - Bishnupur, Dist - South 24 Parganas, Under Paschim Bishnupur Gram Panchayat

### Building

: Based on local enquiry and considering location, position, size & nature of land, present use, demand & availability in the market, **price of this land is assessed at Rs.55.00 lacs per Kottah (Including land development)**

Replacement value of building estimated as per current market price of building materials and rates of labours, type of foundation (Pile foundation), other engineering aspects, value added interior works etc.

**Note:** While assessing the Value of overall Property (Land & Building Structure) due consideration have been made for the following value-added works.

1. The Plot have been developed with Horticultural/ Landscaping works
2. The building Structure is covered with Alucobond Cladding etc.
3. Value added interior works like false ceiling, special flooring, Painting and other aesthetic treatment etc.
4. As a whole the Property is developed and being maintained as per standard of similar kind of establishments

## 16. Assessed Value

### Land

- Total Area of land : 42.95 Decimal =26 Kottah
- Rate assessed : Rs.55.00 lacs per Kottah
- Estimated Value : **Rs.1430.00 lacs**



# GLOBAL ENGINEERING SERVICES

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## Building

Note: rate have been assed after due consideration of value-added works, interior/finishing works etc.

Gr. Floor covered area	:	4098.69 sq.ft (As per Sanctioned Building Plan)
Rate assessed	:	Rs. 2750/- per sq.ft.
Estimated Value	:	<b>Rs.112.71 lacs.....(i)</b>
1 <sup>st</sup> Floor covered area	:	4098.69 sq.ft (As per Sanctioned Building Plan)
Rate assessed	:	Rs. 2750/- per sq.ft.
Estimated Value	:	<b>Rs.112.71 lacs.....(ii)</b>
2 <sup>nd</sup> Floor covered area (mezzanine floor, Height-20 feet)	:	4098.69 sq.ft (As per Sanctioned Building Plan)
Rate assessed	:	Rs. 3000/- per sq.ft.
Estimated Value	:	<b>Rs.122.96 lacs.....(iii)</b>
3 <sup>rd</sup> Floor covered area	:	4098.69 sq.ft (As per Sanctioned Building Plan)
Rate assessed	:	Rs. 2750/- per sq.ft.
Estimated Value	:	<b>Rs.112.71 lacs.....(iv)</b>
Estimated Value of Compound wall.,	:	500 R.ft long (approx.)
Rate assessed	:	Rs. 1250/- per sq.ft.
Estimated Value	:	<b>Rs.6.25 lacs.....(v)</b>

## Value of Roof Right:

The said Building is having foundation (Sub structure to bear another three storied construction above the 3<sup>rd</sup> floor roof. We have assessed value on this account as per standard practice of valuation

Estimated Value of Roof Right	:	3X 4098.69 sq.ft =12296.07 Sq.ft
Rate assessed	:	Rs. 750/- per sq.ft
Estimated Value	:	<b>Rs.92.22 lacs.....(vi)</b>

Total Estimated Value of Building : **Rs.559.56 lacs**  
(i+ii+iii+iv+v+vi)





# GLOBAL ENGINEERING SERVICES

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## 17. Summary Value

Value of land	:	Rs.1430.00 lacs
Value of building	:	Rs.559.56 lacs
<b>Total</b>	:	<b>Rs.1989.56 lacs</b>

## 18. Conclusions

Fair Market Value	:	Rs.1989.56 lacs
Realizable Value	:	Rs.1790.60 lacs (Discounted by 10% from FMV)
Forced Sale Value	:	Rs.1591.65 lacs (Discounted by 20% from FMV)

Note: Valuation of land and building is in compliance with the requirements under Rule 26.2 of the Singapore Take-over Code applicable to property which is occupied for purposes of the business and valued at open market value for the existing use.



# GLOBAL ENGINEERING SERVICES

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Phone : 9831178597, 9830032032, Fax :033-26324393, E-mail :[globaleng40@gmail.com](mailto:globaleng40@gmail.com)

## 19. DECLARATION FROM VALUER.

- a. The information and other details above are true to the best of our knowledge and belief.
- b. We have no direct or indirect interest in the property valued.
- c. We have physically inspected the property.
- d. We have not been found guilty of misconduct in our professional capacity.
- e. All representations by owner/ on behalf of owner in person/ Documents/ copy etc. Provided by the owner/ representatives accepted on good faith & the valuer is not responsible for any kind of fraudulence involved in the matter of such representation/ documents/ copy etc.
- f. The value of thus estimated is not unique and subject to variation depending on variation in input information, market information, market deviation/dynamics, Govt. price control, judgment of valuer etc./ all measurement/dimensions referred are approx /more or less.
- g. Legal matters not verified by us.
- h. Report prepared for use by M/s Cordlife Sciences India Pvt. Ltd. and its stakeholder only.
- i. E & O in preparation of the report regretted and would be reviewed on drawing attention.
- j. Submitted without any prejudice.



**JYOTIRMOY BHATTACHARJEE**

B.E. (CIVIL), FIV, MIE

(Regn. No.- M-118328-6)

Chartered Engineer & Approved Valuer

-----  
(Signature of the Registered Valuer)

Jyotirmoy Bhattacharjee.

( GLOBAL ENGINEERING SERVICES )

Govt. Approved Valuer & Chartered Engineer

Govt. Approved Valuer.(Ministry of Finance, under  
Section 34A/B).Regn. No. :WB/CCIT.KOL-XI/CIT-  
XX/147/Regn.of Valuer/CAT-I/2009-10,

Place : Sheoraphuli.

Date : 04.06.2025

Encl: - Annexure A.



# GLOBAL ENGINEERING SERVICES

ARCHITECTS, ENGINEERS, PLANNERS, VALUERS & CONSULTANTS

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## Annexure-A

### Schedule of Deed

Property address: Mouza- Bishnupur, J.L. No.30, Pargana -Magura, Touzi No.-1, P.S. - Bishnupur, Dist. - South 24 Parganas, Under Paschim Bishnupur Gram Panchayat

No.	Place of Registrar	Deed No.	R.S.Khatian No.	R.S. & L.R. Dag No.	L.R.Khatian No.	Land Area Decimal	Consideration
1.	A.D.S.R. Bishnupur	I-6999, dt-04.09.2006	53	213	343	18.20	Rs.5,00,000/-
2.	A.D.S.R. Bishnupur	I-536, dt-05.05.2007	53	213	343 & 1719	24.75	Rs.9,00,000/-
					Total	42.95	Rs.14,00,000/-





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## APPENDIX J – EXTRACTS FROM THE M&AA

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The provisions in the M&AA relating to the rights of Shareholders in respect of capital, dividends and voting are extracted from the M&AA and reproduced in italics below.

All terms and expressions used in the extract below shall have the meanings ascribed to them in the M&AA, a copy of which is available for inspection at the registered office of the Company. Please refer to paragraph 13 of **Appendix B (Additional General Information)** to this Circular for further information.

### A. RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

#### ISSUE OF SHARES

3. *Subject to the Statutes and the provisions of these presents, no shares may be issued by the Directors without the prior approval of the Company by Ordinary Resolution but subject thereto and to Article 7, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of shares to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions whether as regards dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, PROVIDED THAT:*
  - (a) *(subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 7(A) with such adaptations as are necessary shall apply; and*
  - (b) *the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in the provisions of these presents.*
4. (A) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any securities exchange upon which shares in the Company are listed, provided that the total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six Months in arrear.*
  - (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

#### VARIATION OF RIGHTS

5. (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the Statutes, be varied or abrogated either with the consent in writing of holders who represent at least three-quarters of the total voting rights of all the shares of that class or by a*

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## APPENDIX J – EXTRACTS FROM THE M&AA

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*Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the total voting rights of all the shares of that class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all the shares of that class concerned within two Months of such General Meeting shall be as valid and effectual as a Special Resolution passed at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*

- (B) *The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all the preference shares concerned within two Months of the General Meeting, shall be as valid and effectual as a Special Resolution carried at the General Meeting.*
- (C) *The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

### ALTERATION OF SHARE CAPITAL

- 6. *The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares.*
- 7. (A) *Subject to the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed or to any direction to the contrary that may be given by the Company in a General Meeting, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 7(A).*

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(B) *Notwithstanding Article 7(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*

- (a)
  - (i) *issue shares whether by way of rights, bonus or otherwise; and/or*
  - (ii) *(make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
- (b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,*

*provided that:-*

- (1) *the aggregate number of shares or other instruments convertible into shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the securities exchange upon which shares in the Company are listed;*
- (2) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the securities exchange upon which shares in the Company are listed, the time being in force (unless such compliance is waived by the securities exchange upon which shares in the Company are listed) and these presents; and*
- (3) *(unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).*

(C) *Except so far as otherwise provided by the conditions of issue or by the provisions of these presents, all new shares shall be subject to the Statutes and the provisions of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*

8. *The Company may by Ordinary Resolution:*

- (a) *consolidate and divide all or any of its shares;*
- (b) *cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its capital by the number of shares so cancelled;*
- (c) *sub-divide its shares, or any of them in accordance with the Statutes and the bye-*



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*laws or listing rules of the securities exchange upon which shares in the Company are listed, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or*

- (d) *subject to the Statutes, convert any class of paid-up shares into any other class of paid-up shares.*
- 9.
  - (A) *The Company may reduce its share capital or any reserve in any manner and with and subject to any incident authorised and consent required by law.*
  - (B) *Subject to the Statutes, the Company may purchase or otherwise acquire any of its issued shares on such terms and in such manner as the Company may from time to time think fit and in the manner prescribed by the Statutes. If required by the Statutes, any share which is so purchased or acquired by the Company, unless held as treasury shares in accordance with the Statutes, shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share (including treasury shares) which is so purchased or acquired by it in accordance with the Statutes.*
- 10. *Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of these presents and the Act.*
- 11. *Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register of Members as the member holding the treasury shares.*
- 12. *The Company shall not exercise any right in respect of the treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.*

### SHARES

- 13. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way (except by the Statutes or the provisions of these presents) to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (as the case may be) a person whose name is entered in the Depository Register in respect of that share.*
- 14. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions (as regards dividend, return of capital, voting or otherwise) as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the Statutes, the Company may issue preference shares which are, or at the option of the Company, are liable to be redeemed.*

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15. *Subject to the Statutes and the provisions of these presents relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
16. *The Company may exercise the powers of paying commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly shares or partly in one way and partly in the other.*
17. *Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the securities exchange upon which shares in the Company are listed) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

### **REDEEMABLE PREFERENCE SHARES AND PURCHASE OF SHARES BY “A” PREFERENCE SHAREHOLDER**

- 17A. *In Articles 17A to 17G (inclusive) and Articles 135A and 138, the following expressions shall, unless the context otherwise requires, have the following meanings:*

**“A” Preference Shareholder**” means Cordlife Limited, the registered holder of the “A” Preference Share;

**“A” Preference Share**” means redeemable preference share of the Company carrying the rights, privileges and benefits set out in Article 17B and where the context requires;

**“Approved Stock Exchange**” means the Singapore Exchange Securities Trading Limited or such other stock exchange as may be approved by the Directors;

**“Auditors**” means the auditors for the time being of the Company;

**“Australia Dollar(s)”** or **“AUST\$”** means the lawful currency of Australia;

**“Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore;

**“CBB Shares”** means ordinary shares of Cordlife Limited;

**“Ex-Date”** means the date on which the CBB Shares trade without the benefit of participation in the distribution of Ordinary Shares on implementation of the Proposed Transaction, which is currently expected to be on 22 June 2011;

**“Final Stop Date”** means 30 September 2012;

**“Issue Amount”** the consideration of S\$1 to be payable for the issue and

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allotment of the “A” Preference Share to the “A” Preference Shareholder;

**“Liquidity Event”** means an event in respect of the Company which generates a valuation or return in respect of holding the issued Ordinary Shares in excess of AUST\$28,986,000 (including but not limited to a trade sale, merger or takeover of the Company);

**“Long Stop Date”** means 31 March 2012;

**“Members”** means the members of the Company, **“Member”** means any of them;

**“Ordinary Shares”** means ordinary shares of the Company;

**“Proposed Transaction”** means the proposed in-specie distribution of the entire issued and paid-up capital of the Company to the shareholders of Cordlife Limited to take place on or about 30 June 2011;

**“Redemption Amount”** means the sum of S\$1;

**“Redemption Date”** means the day after the occurrence of the Liquidity Event or such other date as may be prescribed by the Directors following the occurrence of the Liquidity Event;

**“Share Certificates”** means the share certificates representing title to Ordinary Shares issued in the name of each of the Members, in connection with the Proposed Transaction;

**“Singapore Dollar(s)”** or **“S\$”** means the lawful currency of Singapore;

**“Share Purchase”** has the meaning given to it in Article 0;

**“Share Transfers”** means the mandatory sale of Ordinary Shares by each of the Members to the “A” Preference Shareholder, which shall occur in the event the Liquidity Event does not occur by the Long Stop Date; and all references to the masculine gender shall include references to the feminine and neuter genders and vice versa.

### **“A” PREFERENCE SHARES**

- 17B. The Company shall allot and issue the “A” Preference Share at the Issue Amount and on such terms and conditions as the Directors may determine, which shall carry, the following rights, benefits and privileges and be subject to the following restrictions:

(A) **DIVIDENDS**

Notwithstanding Article 4(A), the “A” Preference Share will not confer on the “A” Preference Shareholder any rights to dividends or other distributions, whether in cash, in kind or in specie. No dividends, distributions, benefits or return of assets or capital shall be declared or paid to the “A” Preference Shareholder.

(B) **STATUS OF “A” PREFERENCE SHARE**

The “A” Preference Share will rank in priority over the Ordinary Shares and all other shares of the Company for the return of assets or capital in the amount equivalent to the Redemption Amount (as defined below) in the event of any

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*liquidation, dissolution or winding-up of the Company, but shall not thereafter participate in the surplus profits or assets of the Company.*

(C) REDEMPTION

(i) Automatic Redemption:

*Notwithstanding Articles 17B(B) and 17(C)(ii), the “A” Preference Share shall be automatically redeemed at the Redemption Amount upon the occurrence of either of the following events:*

- (1) *the delisting of Cordlife Limited from the official list of the Australia Securities Exchange; or*
- (2) *the sale, transfer or disposal by Cordlife Limited, in one or a series of related transactions, of the whole or a substantial part of its undertaking, assets or property.*

(ii) Mandatory Redemption:

*Unless earlier redeemed pursuant to Article 17B(B) or Article 17B(C)(i), the “A” Preference Share shall subject to this Article 17B(C) be redeemed at the Redemption Amount on the Redemption Date, subject to the Liquidity Event, having occurred. On the Redemption Date, the Company shall pay the “A” Preference Shareholder the Redemption Amount in relation to the “A” Preference Share, in immediately available funds either by wire transfer of funds in Singapore Dollar to an account with a bank in Australia specified by the “A” Preference Shareholder or in cash.*

(iii) Default in payment:

*If for any reason should the Company be unable to make payment of the Redemption Amount on the Redemption Date. The Company shall endeavour to make payment of the Redemption Amount as soon as possible, but in any event no later than the three Months from the occurrence of the Liquidity Event.*

(D) VOTING

*Notwithstanding Article 4(A), the “A” Preference Shareholder shall not be entitled to vote at General Meetings.*

(E) FURTHER REDEEMABLE PREFERENCE SHARES

*The Company shall not be allowed to make further issuance(s) of shares which rank pari passu with the “A” Preference Share.*

(F) REGISTRATION, REGISTER AND REPLACEMENT

*The “A” Preference Share will be in registered form and the Company shall maintain a Register of “A” Preference Shareholder. The provisions of these Articles relating to the registration, certificates and replacement thereof applicable to Ordinary Shares shall apply mutatis mutandis to the “A” Preference Share.*

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(G) SUBSTITUTION SECURITIES

*In the event of a winding-up or dissolution of the Company pursuant to reconstruction, amalgamation, merger or consolidation, the resultant corporate entity responsible for the liabilities of the Company with respect to the “A” Preference Share shall issue such securities in substitution and replacement of the “A” Preference Share and on such terms which are no less favourable than the terms of the “A” Preference Share, or otherwise on such terms as shall be approved by “A” Preference Shareholder in accordance with Article 17D. As a condition to any such winding-up or dissolution, the Company shall procure that the resultant corporate entity shall (in favour of the “A” Preference Shareholder) undertake to comply with the provisions of Article 17B.*

(H) TAXATION

*All payments in respect of the “A” Redemption Amount shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Singapore or any authority therein or thereof unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. The Company shall be obliged to pay any amount in order that the net amount received by the “A” Preference Shareholder after payment of such taxes, duties, assessments or governmental charges shall be equal to the amount of the “A” Redemption Amount.*

(I) PAYMENTS

*All payments with respect to the “A” Preference Share shall be paid or made to such authorised representative(s) of the “A” Preference Shareholder and the making of any payment in accordance with this Article 17B(I) shall discharge the liability of the Company in respect thereof.*

(J) PRESCRIPTION

*Any rights which the “A” Preference Shareholder has failed to claim within six months of having been made available to it shall be forfeited and shall revert to the Company and the “A” Preference Shareholder will not thereafter be able to claim such rights. The Company shall retain such rights but shall not at any time be a trustee in respect of such rights nor be accountable for any income or other benefits derived therefrom (if any).*

- 17C. *Any notice or other document may be given by the Company to the “A” Preference Shareholder either personally or by sending it through the post in a prepaid letter or by cable, telex, facsimile transmission, telegram or other tangible and legible form of electronic or similar form of communication addressed to the “A” Preference Shareholder at its address as appearing in the Register of “A” Preference Shareholder. Any notice or other document, if sent by post, shall be deemed to have been served or delivered at the time when the letter containing the same is posted. and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and served by prepaid post. Any notice or other document, if served by cable, telex, facsimile transmission, telegram or other tangible and legible form of electronic or similar form of communication shall be deemed to have been served upon receipt thereof. Production of a copy of a notice sent by telex, facsimile transmission or other tangible and legible form of electronic or similar form of communication bearing an acknowledgement of receipt of the transmission in accordance with normal procedures under the system in*

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use shall be sufficient proof of receipt thereof.

- 17D. In the event of any conflict or inconsistency between the provisions contained in Articles 17B, 17C and 17D, and any other provision of these Articles, then (in favour of the “A” Preference Shareholder) the provisions contained in Articles 17B, 17C and 17D shall prevail.

### **PURCHASE OF SHARES BY “A” PREFERENCE SHAREHOLDER**

- 17E. Subject to Article 17F, in the event the Liquidity Event does not occur by the Long Stop Date, the “A” Preference Shareholder shall have the right to purchase the Ordinary Shares, representing the entire issued and paid up capital of the Company, from the Members (the **“Share Purchase”**). In consideration thereof, the “A” Preference Shareholder shall issue and allot to the Members such number of CBB Shares credited as fully paid, to be determined as follows (or such other formula as the Directors may determine):

$$NS = (CSv / CBBv) \times IC$$

Where:

**NS** means the aggregate number of new CBB Shares issued and allotted pursuant to the Share Purchase;

**CSv** means AUST\$28,986,000 (being the historical book value of the Company as at 31 December 2010);

**CBBv** means the Value of Cordlife Limited on the trading day immediately preceding the Ex-Date, where “Value” is defined as the number of CBB Shares in issue on the trading day immediately preceding the Ex-Date x the closing bid price of CBB Shares on the trading day immediately preceding the Ex-Date; and

**IC** means the aggregate number of CBB Shares which are in issue as at the date of, and after completion of the Share Purchase. For the avoidance of doubt, this shall include the number of new CBB Shares issued pursuant to the Share Purchase.

- 17F. In the event the Liquidity Event does not occur by the Long Stop Date and the “A” Preference Shareholder pursuant to its rights in Article 17E makes an offer to purchase the Ordinary Shares, each of the Members shall be obliged to sell the Ordinary Shares held by him/her/it and to accordingly transfer the aggregate Ordinary Shares held by him/her/it to the “A” Preference Shareholder. Such transfer of legal titles in the Ordinary Shares shall be in writing and in the usual common form, accompanied by the Share Certificates. Notwithstanding the aforementioned, the “A” Preference Shareholder shall give 30 days written notice to the Members of its intention to exercise its rights under Article 17E to undertake the Share Purchase from the period between 30 days prior to the Long Stop Date to 30 days prior to the Final Stop Date. The “A” Preference Shareholder’s right pursuant to Article 17E, shall lapse if the “A” Preference Shareholder fails to give written notice within the stipulated time.

Notwithstanding Article 20, each Member agrees that any Director shall hold in escrow (on behalf of and for the benefit of each Member) the Share Certificates up until the Long Stop Date. Accordingly, each Member agrees that in the event the Liquidity Event does not occur by the Long Stop Date, any Director shall be authorised to execute instruments of transfers and all other documents relating to the Share Transfers for and on behalf of such Member and arrange for the cancellation of the Share Certificates.

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- 17G. *In the event the Liquidity Event does not occur by the Long Stop Date, the provisions contained in the foregoing Articles 17A, 17B, 17C, 17D, 17E and 17F shall cease to have any effect.*

### SHARE CERTIFICATES

18. *Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid and the amount (if any) unpaid thereon. No certificate shall be issued representing shares of more than one class.*
19. (A) *The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.*
- (B) *In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate thereof and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.*
20. *Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, the Company shall despatch to every person whose name is entered as a member in the Register of Members and who is entitled to receive such certificate, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred, within ten Market Days of the closing date of any application for shares<sup>4</sup> (or such other period as may be approved by the securities exchange upon which shares in the Company are listed) or within ten Market Days after the date of lodgement of a registrable transfer<sup>5</sup> (or such other period as may be approved by the securities exchange upon which shares in the Company are listed). Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate or certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of S\$2 for each new certificate (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the securities exchange upon which shares in the Company are listed).*
21. (A) *Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.*
- (B) *If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of S\$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the securities exchange upon which shares in the Company are*

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<sup>4</sup> Rule 731 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST Listing Manual**”)

<sup>5</sup> Rule 732(3) of the SGX-ST Listing Manual

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*listed.*

(C) *In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.*

22. *Subject to the Statutes, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the securities exchange upon which shares in the Company are listed or on behalf of its or their client or clients as the Directors shall require, and (in the case of defacement or wearing out) on delivery of the old certificate and in any case on payment of such sum not exceeding S\$2 as the Directors may from time to time require together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.*

### **CALLS ON SHARES**

23. *The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*
24. *Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company, the amount called on his shares, at the time or times and place of payment specified by the Company. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.*
25. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.*
26. *Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of the provisions of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
27. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.*
28. *The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.*



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### FORFEITURE AND LIEN

29. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such nonpayment.*
30. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.*
31. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*
32. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.*
33. *A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.*
34. *The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.*
35. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.*
36. *The residue of the proceeds of such sale pursuant to Article 35 after the satisfaction of the unpaid calls and accrued interest and expenses of such sale shall be paid to the person*

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*entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser*

37. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold or disposed to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee, as the case may be) or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*

### TRANSFER OF SHARES

38. *All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by the securities exchange upon which shares in the Company are listed or in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, PROVIDED THAT an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.*
39. *The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, PROVIDED THAT such Register shall not be closed for more than thirty days in any Year. The Company shall give prior notice of such closure as may be required to the securities exchange upon which shares in the Company are listed, stating the period and purpose or purposes for which the closure is made.*
40. (A) *Subject to the provisions of these presents, there shall be no restriction on the transfer of fully paid up shares (except where required by law, the Statutes or the bye-laws or listing rules of any securities exchange upon which shares in the Company are listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve (except where such refusal to register contravenes the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed).*
- (B) *The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:*
- (a) *all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding S\$2 as the Directors may from time to time require in accordance with the provisions of these presents, is paid to*

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*the Company in respect thereof;*

- (b) the instrument of transfer is deposited at the registered office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;*
  - (c) the instrument of transfer is in respect of only one class of shares; and*
  - (d) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.*
- 41. If the Directors refuse to register a transfer of any shares, they shall within ten Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed), send to the transferor and to the transferee, written notice of the refusal stating reasons for the refusal as required by the Statutes.*
- 42. All instruments of transfer which are registered may be retained by the Company.*
- 43. There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2 as the Directors may from time to time require or prescribe.*
- 44. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six Years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six Years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six Years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, PROVIDED THAT:*
  - (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;*
  - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and*
  - (c) references herein to the destruction of any document include references*

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*to the disposal thereof in any manner.*

### **TRANSMISSION OF SHARES**

45. (A) *In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (B) *In the case of the death of a member who is a Depositor, the survivor or survivors where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (C) *Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*
46. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.*
47. *Save as otherwise provided by or in accordance with the provisions of these presents, a person becoming entitled to a share pursuant to Article 45(A) or (B) or Article 46 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.*

### **STOCK**

48. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*
49. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*
50. *The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and*

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*other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by any number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*

### B. RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

#### GENERAL MEETINGS

51. *Subject to the Statutes, an Annual General Meeting shall be held once in every Year and not more than fifteen Months after the holding of the last preceding Annual General Meeting, at such time and place as may be determined by the Directors. All other General Meetings shall be Extraordinary General Meetings.*
52. *The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.*

#### NOTICE OF GENERAL MEETINGS

53. (A) *Subject to the Statutes, any General Meeting at which it is proposed to pass a Special Resolution shall be called by twenty-one days' notice in writing at the least. An Annual General Meeting and any other Extraordinary General Meeting shall be called by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereafter mentioned to all members other than those who are not under the provisions of these presents entitled to receive such notices from the Company, PROVIDED THAT a General Meeting which has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:*
- (a) *in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and*
- (b) *in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting,*
- except that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.*
- (B) *Where special notice is required of a resolution pursuant to the Statutes, notice of the intention to move the resolution shall be given to the Company and notice of any General Meeting shall be called in accordance with the Statutes and in particular, Section 185 of the Act.*
- (C) *Subject to the Statutes or the bye-laws or listing rules of the securities exchange on which shares in the Company are listed, for so long as the shares in the Company are listed on the Securities Exchange, notices convening any General Meeting at which it is proposed to pass a Special Resolution shall be sent to members entitled to attend and vote at the meeting at least twenty-one calendar days before the meeting (excluding the date of notice and the date of meeting). Notices convening*

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*any other General Meeting must be sent to members entitled to attend and vote at the meeting at least fourteen calendar days before the meeting (excluding the date of notice and the date of meeting).<sup>6</sup> At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to each securities exchange on which shares in the Company are listed.<sup>7</sup>*

54. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*
- (B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*
- (C) *In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*
55. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:*
- (a) *declaring dividends;*
- (b) *receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
- (c) *appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
- (d) *re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
- (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
- (f) *fixing the fees of the Directors proposed to be passed under Article 81.*
56. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

### PROCEEDINGS AT GENERAL MEETINGS

57. *The Chairman of the Board, failing whom the Deputy Chairman of the Board, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present and willing to act within five minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*

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<sup>6</sup> See Rule 704(13) of the SGX-ST Listing Manual.

<sup>7</sup> See Paragraph 7 Appendix 2.2 of the Listing Manual.

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58. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy, PROVIDED THAT where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.*
59. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.*
60. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
61. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
62. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
63. *At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) the chairman of the meeting;*
  - (b) not less than five members having the right to vote at the meeting;*
  - (c) a member having the right to vote at the meeting representing not less than ten per cent. of the total voting rights of all the members having the right to vote at the meeting; or*
  - (d) a member having the right to vote at the meeting and holding shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid-up on all shares of the Company conferring that right (excluding treasury shares),*

*PROVIDED THAT no poll shall be demanded on the choice of a chairman or on a question of adjournment.*

64. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried,*

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*or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*

65. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
66. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

### VOTES OF MEMBERS

67. *Each member who is a holder of ordinary shares in the capital of the Company shall be entitled to be present at any General Meeting. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 12, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote PROVIDED THAT in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote. On a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company.*
68. *In the case of joint holders of a share, any one of such person may vote, and be reckoned in quorum at any General Meeting, either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto, but if more than one of such joint holders is so present at any meeting, then the person present whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall alone be entitled to vote in respect thereof.*
69. *Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*
70. *Any member shall be entitled to be present and to vote either personally or by proxy, at*



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*any General Meeting of the Company, in respect of any share or shares upon which all calls due to the Company have been paid.*

71. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
72. *On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
73. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting, PROVIDED THAT if the member is a Depositor, the Company shall be entitled and bound:*
- (a) *to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company; and*
  - (b) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.*
- (B) *The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.*
- (C) *In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.*
- (D) *A proxy need not be a member of the Company.*
74. (A) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *In the case of an individual, shall be signed by the appointor or his attorney; and*
  - (b) *in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*
- (B) *The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article **Error! Reference source not found.**, failing which the instrument may*

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*be treated as invalid.*

75. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the registered office of the Company) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, PROVIDED THAT an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*
76. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
77. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made PROVIDED THAT no intimation in writing of such death, insanity or revocation shall have been received by the Company at the registered office of the Company at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*
- 77A. *Subject to these presents and the Statutes, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile<sup>8</sup>.*

### **CORPORATIONS ACTING BY REPRESENTATIVES**

78. *Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of the provisions of these presents, be deemed to be present in person at any such meeting if a person so authorised is present thereat.*

## **C. RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDEND**

### **RESERVES**

123. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into*

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<sup>8</sup> See Guideline 15.1 of the Code of Corporate Governance 2005.

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*which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the Statutes.*

### **DIVIDENDS**

124. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors. No dividends may be paid, unless otherwise provided in the Statutes, to the Company in respect of treasury shares.*
125. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
126. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide and except as otherwise permitted under the Statutes:*
- (a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
  - (b) *all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which dividend is paid.*

*For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.*

127. *No dividend shall be paid otherwise than out of profits available for distribution under the Statutes.*
128. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
129. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
- (C) *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or moneys unclaimed after a period of six Years from the date they are first payable may be forfeited and if so shall*

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*revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture.*

- (D) *A payment by the Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability in respect of that payment. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six Years has elapsed from the date on which such other moneys are first payable.*
130. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
131. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
132. (A) *Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
- (a) *the basis of any such allotment shall be determined by the Directors;*
  - (b) *the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*

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- (c) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded PROVIDED THAT the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and*
  - (d) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “elected ordinary shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 136, the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*
- (B)
  - (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
  - (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down or whereby the benefit of the fractional entitlements accrues to the Company rather than the members).*
- (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors*

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*may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.*

- (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
- (E) *Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.*
133. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 135, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.*
134. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
135. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*
- 135A. *Subject to the provisions of these Articles, in the event the Liquidity Event does not occur by the Long Stop Date and the "A" Preference Shareholder elects to exercise its rights under Article 17E to undertake the Share Purchase, the Members shall prior to the Share*

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*Purchase be entitled to be paid a dividend equal to the profits derived by the Company from 1 July 2011 to such practicable date, as may be determined by the Directors.*

### **CAPITALISATION OF PROFITS AND RESERVES**

136. *Subject to Article 3 and Article 7, the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into an agreement with the Company on behalf of all the members interested, providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- 136A. *In addition and without prejudice to the power to capitalise profits and other moneys provided for by Article 136, the Directors shall have power to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.*