

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

**DISCLAIMER OF OPINION AND EMPHASIS OF MATTER
BY THE INDEPENDENT AUDITORS ON
THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the board of directors of Cordlife Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's independent auditors, PKF-CAP LLP, have issued a disclaimer of opinion (the "**Disclaimer of Opinion**") and emphasis of matter (the "**Emphasis of Matter**") in their independent auditor's report dated 31 March 2026 (the "**Independent Auditor's Report**") in relation to the consolidated financial statements of the Group for the financial year ended 31 December 2025 ("**FY2025**") (the "**Audited Financial Statements**"). The basis of the Disclaimer of Opinion and the Emphasis of Matter is contained in the Independent Auditor's Report. A copy of the Independent Auditor's Report and an extract of Notes 2.1 and 35 to the Audited Financial Statements are appended to this announcement.

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

In the meantime, shareholders of the Company and potential investors are advised to read the Independent Auditor's Report and the Audited Financial Statements that will form part of the annual report of the Company for FY2025 (which will be released separately on SGXNET in due course) in their entirety and should exercise caution when dealing in the shares of the Company. They should consult their stockbrokers, bank managers, solicitors, or other professional advisers if they have any doubt about the actions they should take.

By order of the Board
CORDLIFE GROUP LIMITED

Cheok Hui Yee
Goh Xun Er
Company Secretaries
31 March 2026

Independent auditor's report

Members of the Company
Cordlife Group Limited

Report on the audit of the financial statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Cordlife Group Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, 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 FS1 to FS90.

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

Our 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 2024 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 2024, we are unable to determine whether the opening balances as at 1 January 2025 are fairly stated. Since the opening balances as at 1 January 2025 enter into the determination of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and changes in equity of the Company for the financial year ended 31 December 2025, 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 2025.

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 for the prior year.

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. As disclosed in Note 2.1 to the financial statements, there are material uncertainties relating to the outcome and financial effects of the full investigation into the 3 Low-Risk Tanks that did not meet the criteria for viability and potency (Remaining 3 Low-Risk Tanks), as well as potential fines and/or penalties arising from ongoing regulatory actions by the Ministry of Health ("MOH"). We were unable to obtain sufficient appropriate audit evidence in respect of key assumptions used by management in its going concern assessment and the outcome of regulatory actions.

The Company's business in Singapore is a significant component of the Group's operations and its financial results are material to the overall Group. Although the Company's cord blood banking service licence was renewed for the period from 14 January 2026 to 13 January 2027, the renewal is subject to conditions that restrict the collection, testing, processing and/or storage of new cord blood units, except within a permitted scope. We are unable to obtain sufficient audit evidence over certain key inputs and assumptions used in applying the going concern basis of preparation, including management's estimates of the timing of the lifting of the licence restrictions. Accordingly, we were unable to conclude on the appropriateness of the use of the going concern assumption in the preparation of the accompanying financial statements and whether any adjustments be necessary in respect thereto.

In addition, certain subsidiaries of the Group require ongoing financial support from the Company, and we were unable to obtain sufficient appropriate audit evidence that the Company will be able to provide such support as and when required.

3 Refunds and claims

As disclosed in Notes 2.1 and 35(a), the Company was notified of the filing of HC/OA 1365/2025 ("OA 1365") against the Company by an individual ("Representative") as the representative claimant of claimants who have stored 109 CBUs with Cordlife ("Claimant Group"). The first hearing of these claims is scheduled for 12 May 2026. There are no alternative audit procedures that can be performed and therefore, we were unable to obtain sufficient appropriate audit evidence as to the outcome of these claims. Accordingly, we were unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements might be necessary.

As disclosed in Notes 2.1 and 35(b), the investigation into the Remaining 3 Low-Risk Tanks test results had not been completed. In addition, there are Tank A and High-Risk Tanks' customers who have not accepted the refund offered by the Company. As such, we were unable to determine the claims against the Company from all affected customers arising from its non-compliance with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Services) Regulations. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine the number of potentially affected customers and to quantify the refund and claims, whether constructive or contingent as at 31 December 2025. Accordingly, we were unable to determine whether any adjustments to and/or disclosures in the accompanying financial statements might be necessary.

4 Valuation of trade receivables and contract assets

As at 31 December 2025, the Group's and the Company's trade receivables and contract assets totalled \$80,280,000 (2024: \$83,583,000) and \$46,343,000 (2024: \$46,570,000), respectively. The trade receivables and contract assets accounted for 39.8% (2024: 38.5%) and 31.2% (2024: 30.9%) of the Group's and the Company's total assets. During the financial year ended 31 December 2025, the Group and the Company have recognised additional impairment loss on trade receivables and contract assets amounted to \$1,999,000 (2024: \$1,373,000) and \$1,215,000 (2024: \$511,000), respectively. In view of the investigation into the Remaining 3 Low-Risk Tanks test results had not been completed, we were unable to obtain sufficient appropriate audit evidence to assess the recoverability of these balances and the adequacy of the related expected credit loss allowances.

5 Compliance with law and regulations

We refer to Notes 2.1 and 35(b) to the financial statements which indicates that the Company had been notified by the Ministry of Health ("MOH") on 29 September 2025 that there are areas of non-compliance with the Healthcare Services (General) Regulations and Healthcare Services (Cord Blood Banking Services) Regulations ("Non-compliances") that MOH has identified based on its follow-up inspections undertaken in July 2025. 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.

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

Emphasis of Matter

We draw attention to Note 35(c) to the financial statements which indicates that several of its directors, former directors, the former Chief Financial Officer, the former and current Group Executive Directors, 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 this emphasis of matter.

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

31 March 2026

Notes to the 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 31 March 2026.

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 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 28 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 will 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.

2 Basis of preparation (cont'd)

2.1 Going concern basis of accounting (cont'd)

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 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.

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.

2 Basis of preparation (cont'd)

2.1 Going concern basis of accounting (cont'd)

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.

On 14 May 2025, the Company announced that the technical analysis on the Additional Low-Risk Tanks Test Results has been completed and that the Company is undertaking a comprehensive and independent review of the results. The Company states its understanding that the process is expected to be completed in or around the later part of 2025.

On 23, 24 and 25 June 2025, the Company conducted townhall sessions with the affected customers from Tank A and High-Risk Tanks ("affected customers") and/or their representatives. Subsequently, as announced by the Company on 10 July 2025, the Company put forward an enhanced package for these affected customers as summarised below ("Enhanced Package"). The financial impact of the Enhanced Package was recognised in 1H2025.

- Each affected customer will receive an extension to their existing cord blood storage period until their child turns 26 years old, at no additional cost to the customer.
- The scope of the warranty clause contained in each affected customer's service agreements has also been expanded such that, if the CBU is required by the donor or the donor's biological sibling (provided it is a suitable match) but the CBU cannot be successfully used for an approved haematopoietic stem cell transplant procedure approved by an authorised cord blood transplant centre or hospital for the sole reason that the CBU does not meet the applicable viability criteria for the approved stem cell transplant, and additionally, the Company is unable to find a suitable replacement CBU, the Company will pay the affected customer a sum of S\$50,000.
- The Company also introduced worldwide coverage of up to S\$50,000 for all medical conditions that require a cord blood transplant or any other approved stem cell transplant, easing the financial burden for the affected customers.

2 Basis of preparation (cont'd)

2.1 Going concern basis of accounting (cont'd)

On 29 September 2025, the Company received a letter from the MOH (the "2025 MOH Notice") informing the Company that there are areas of non-compliance with the Healthcare Services (General) Regulations and the Healthcare Services (Cord Blood Banking Services) Regulations ("Non-compliances") that the MOH has identified based on its follow-up inspections undertaken in July 2025. In the 2025 MOH Notice, the Non-compliances raised by the MOH related primarily to the Company's processes for quality management, continuity of operations, supplier management, performance monitoring, risk assessment, incidents reporting, incidents handling, corrective actions and documentation/data management.

The 2025 MOH Notice had also informed the Company that the Director-General of Health under the Healthcare Services Act 2020 (the "Director-General") intends to suspend the Company's CBBS Licence for a period of one (1) year (the "Intended Suspension") and directed the Company to, inter alia, replace the Company's clinical governance officer, maintain all existing CBUs stored with the Company and to facilitate the retrieval of CBUs for clinical use or transfers, release stored CBUs for clinical use only after a suitably qualified haematologist has reviewed and assessed that the CBU is suitable for the intended clinical use, retrospective review of all CBUs collective since 14 January 2025, retrospective review of all laboratory activities since 14 January 2025, disclose instances of non-conformance (if there are any) to the mother of the infant who shall be counselled by a qualified haematologist on the implications of non-conformance in clinical use, and respect and carry out the mother's disposition of the CBU, and re-train all laboratory personnel and implement an effective supervisory framework. The Company was given 14 days from the date of the 2025 MOH Notice (i.e. until 13 October 2025) to make representations to MOH in relation to the contents of the 2025 MOH Notice.

On 6 October 2025, the Company made an application to MOH for an extension of the 14-day period for the submission of its written representations in relation to the contents of the 2025 MOH Notice. The Company was informed by MOH on 12 October 2025 that the Company has been granted an extension of time from 13 October 2025 to 27 October 2025 to submit its written representations to the Director-General.

On 27 October 2025, the Company submitted its written representations to the Director-General of Health in accordance with the 2025 MOH Notice and the extension of time granted by MOH. The Company will provide an update on the progress and outcome of its written representations to MOH as and when such information is made available to the Company.

2 Basis of preparation (cont'd)

2.1 Going concern basis of accounting (cont'd)

On 26 November 2025, the Company received a letter from MOH ("November 2025 MOH Notice") informing the Company that the Director-General of Health has reviewed the Company's written representations and has decided to modify the conditions of its CBBS Licence through the addition of, inter alia, the following licence conditions:

- a. the Company shall not collect, test, process and/or store CBUs from infant donors, including through any person appointed to provide the aforementioned services on behalf of the Company, for the remaining duration of its CBBS Licence except within the permitted scope and subject to the conditions set out in the table below:

| Permitted Scope | Conditions |
|--|--|
| (a) storing existing CBUs; | (a) the Company must ensure that storage conditions of all existing CBUs are appropriate and regularly monitored; |
| (b) facilitating the transfer of existing CBUs to another local or accredited overseas CBBS provider; | (b) the Company may only facilitate transfer of existing CBUs to another local or accredited overseas CBBS provider, where such transfer is requested by the Company's clients in writing; |
| (c) facilitating retrieval of existing CBUs for clinical purposes, such as transplant; and | (c) the Company may only facilitate retrieval of existing CBUs and perform any necessary pre-release testing when requested by its clients for clinical purposes, such as transplant; and |
| (d) disposing of existing CBUs where such disposal is instructed or authorised in writing by the client. | (d) the Company may only dispose of existing CBUs where instructed or authorised by the client in writing. |

- b. the Company shall, inter alia, replace the Company's clinical governance officer, release stored CBUs for clinical use only after a suitably qualified haematologist has reviewed and assessed that the CBU is suitable for the intended clinical use, retrospectively review all CBUs collective since 14 January 2025, retrospectively review of all laboratory activities since 14 January 2025, disclose instances of non-conformance to the mother of the infant who shall be counselled by a qualified haematologist on the implications of non[1]conformance in clinical use, and respect and carry out the mother's disposition of the CBU, and re-train all laboratory personnel and implement an effective supervisory framework.

As announced by the Company on 14 January 2026, the Company's CBBS Licence has been renewed for a period one (1) year from 14 January 2026 to 13 January 2027 (both dates inclusive) and subject to the substantially the same aforementioned licence conditions. The Company's human tissue banking service licence has also been renewed for a period of two (2) years from 14 January 2026 to 13 January 2028.

2 Basis of preparation (cont'd)

2.1 Going concern basis of accounting (cont'd)

As stated in the MOH press release issued on 29 September 2025, MOH undertook a review on the Additional Low-Risk Tanks Test Results and concluded that tested samples from two of the five Low-Risk Tanks met the criteria for viability and potency, but tested samples from the other three Low-Risk Tanks ("Remaining 3 Low-Risk Tanks") did not. The testing protocol only allowed one sample to fail in each Low-Risk Tank for such tank to meet the acceptance criteria. MOH has directed the Company to conduct a full investigation on the Additional Low-Risk Tanks Test Results as the Company's root cause analysis could not identify conclusive reasons for what could have caused the tested samples in the Remaining 3 Low-Risk Tanks to fail to meet the criteria. The Company is, together with its technical team and advisers, conducting a full investigation on the Additional Low-Risk Tanks Test Results for the Remaining 3 Low-Risk Tanks. Pending completion of such investigations, the Company is unable to ascertain whether the Remaining 3 Low-Risk Tanks were at risk of being adversely affected by temperature excursions. The Company will update its shareholders and the investing public once it has completed and received the outcome of the full investigation on the Additional Low-Risk Tanks Test Results for the Remaining 3 Low-Risk Tanks, in accordance with the requirements of the listing rules of the Singapore Exchange Securities Trading Limited. On 1 December 2025, the Company was notified of the filing of HC/OA 1365/2025 ("OA 1365") by an individual ("Representative") as the representative claimant of claimants who have stored 109 CBUs with Cordlife ("Claimant Group") against the Company, seeking, inter alia, the following orders:

- (a) a declaration that the Company is liable to the Representative and all members of the Claimant Group for loss and damage arising from the Company's negligence and/or breach of contract in failing to properly store and preserve the CBUs at its facilities, thereby causing irreparable damage thereto;
- (b) an order that the Company pays damages to the Representative and all members of the Claimant Group, such damages to be assessed on the basis of market value of the CBUs fixed at S\$50,000 per damaged unit (or any other amount determined by the Court);
- (c) as an alternative to paragraph (b) above, an order that the Company does pay damages to the Representative and all members of the Claimant Group, such damages to be assessed on the basis of recovery of expenses rendered futile by the Company's negligence and/or breach of contract, namely the total storage fees paid to the Company by each member of the Claimant Group to-date; and
- (d) alternatively, an order for assessment of damages.

While the outcome of OA 1365 and the investigation on the Additional Low-Risk Tanks Test Results for the Remaining 3 Low-Risk Tanks are still pending, the Group believes that the use of the going concern assumption in the preparation of the financial statements for the full year ended 31 December 2025 is appropriate. In assessing the Group's ability to operate as a going concern (the "Going Concern Assessment"), the Group performed cash flow forecasts ("Cash Flow Forecasts") of the Group over the next 12 months ending on 31 December 2026 ("Period Under Review"), incorporating an analysis comprising multiple scenarios for possible outcomes and tolerance levels in light of various key risks and uncertainties as also outlined in the 2025 MOH Notice, OA 1365 and elaborated upon below:

2 Basis of preparation (cont'd)

2.1 Going concern basis of accounting (cont'd)

- (a) the Company will continue to incur fixed fees and other operating expenses, notwithstanding the cessation of business activities. The Group continues to actively manage its cost base and optimise cash outflows, including deferral and prioritisation of non-essential expenditures, to preserve liquidity and ensure financial flexibility during this period.
- (b) cash outflows are incurred by the Company for refunds in respect of Tank A and the high-risk tanks, which could, taken together with the other operational and financial pressures listed herein, impact liquidity of the Company;
- (c) the Group's ability to continue to receive payments from unaffected customers in Singapore and other jurisdictions under deferred payment plans for the next twelve months is subject to uncertainty as a result of, inter alia, adverse publicity on the Company arising from the existing licenses under the modified conditions, and any delays, shortfall or defaults in payment may affect the Company's cash position; and
- (d) The Group is subjected to certain uncertainties, including the outcome of ongoing investigations relating to the Additional Relevant Tank Test Results for the Remaining 3 Low-Risk Tanks, potential customer remediation measures, and claims arising from OA 1365 and other affected customers. While the the timing, outcome and financial impact of these matters remain uncertain, based on current assessments and legal advice, such claims are considered possible and not probable, and are not expected to result in material cash outflows within the next twelve (12) months.
- (e) The impact of the above matters is primarily limited to the Group's Singapore operations, and the Group continues to operate and generate revenue and cash flows from its other geographical markets,

Taking into account the Company's financial results for the full year ended 31 December 2025, and the Cash Flow Forecasts, barring any unforeseen circumstances, the Board is of the view that the Company will be able to continue as a going concern for the Period under Review, and the use of the going concern assumption in the preparation of the financial statements for the full year ended 31 December 2025 is appropriate.

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.

34 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 2025 and 31 December 2024.

The Group is in a net positive cash position as at 31 December 2025.

35 Contingent liabilities

(a) Status of Claims against the Company

As announced by the Company on 2 May 2024, 15 August 2024, 1 March 2025, 1 April 2025 and 14 August 2025, the Company has received 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 ("Affected Tanks").

As elaborated in Note 2(1), on 1 December 2025, OA 1365 was filed against the Company by the Representative. OA 1365 is currently fixed for hearing on 12 May 2026.

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, the ongoing investigation by MOH, the outcome of OA 1365 and the Additional Low-Risk Tanks Results for the Remaining 3 Low-Risk Tanks.

(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. On 29 August 2024, the MOH notified the Company 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 license 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.

35 Contingent liabilities (cont'd)

(b) Investigation by Ministry of Health (“MOH”) (cont'd)

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

On 29 September 2025, the Company received the 2025 MOH Notice informing the Company of the Non-compliance that the MOH has identified based on its follow-up inspections undertaken in July 2025. In the 2025 MOH Notice, the Non-compliances raised by the MOH related primarily to the Company's processes for quality management, continuity of operations, supplier management, performance monitoring, risk assessment, incidents reporting, incidents handling, corrective actions and documentation/data management.

The 2025 MOH Notice had also informed the Company that the Director-General of Health intends to suspend the Company's CBBS Licence for a period of one (1) year and directed the Company to, inter alia, replace the Company’s clinical governance officer, maintain all existing CBUs stored with the Company and to facilitate the retrieval of CBUs for clinical use or transfers, release stored CBUs for clinical use only after a suitably qualified haematologist has reviewed and assessed that the CBU is suitable for the intended clinical use, retrospective review of all CBUs collective since 14 January 2025, retrospective review of all laboratory activities since 14 January 2025, disclose instances of non-conformance to the other of the infant who shall be counselled by a qualified haematologist on the implications of non-conformance in clinical use, and respect and carry out the mother's disposition of the CBU, and re-train all laboratory personnel and implement an effective supervisory framework. The Company was given 14 days from the date of the 2025 MOH Notice (i.e. until 13 October 2025) to make representations to MOH in relation to the contents of the 2025 MOH Notice.

On 6 October 2025, the Company made an application to MOH for an extension of the 14-day period for the submission of its written representations in relation to the contents of the 2025 MOH Notice. The Company was informed by MOH on 12 October 2025 that the Company has been granted an extension of time from 13 October 2025 to 27 October 2025 to submit its written representations to the Director-General.

On 27 October 2025, the Company submitted its written representations to the Director-General of Health in accordance with the 2025 MOH Notice and the extension of time granted by MOH. The Company will provide an update on the progress and outcome of its written representations to MOH as and when such information is made available to the Company.

35 Contingent liabilities (cont'd)

(b) Investigation by Ministry of Health ("MOH") (cont'd)

On 26 November 2025, the Company received a letter from MOH ("November 2025 MOH Notice") informing the Company that the Director-General of Health has reviewed the Company's written representations and has decided to modify the conditions of its CBBS Licence through the addition of, inter alia, the following licence conditions:

- a. the Company shall not collect, test, process and/or store CBUs from infant donors, including through any person appointed to provide the aforementioned services on behalf of the Company, for the remaining duration of its CBBS Licence except within the permitted scope and subject to the conditions set out in the table below:

| Permitted Scope | Conditions |
|---|--|
| (a) storing existing CBUs; (b) facilitating the transfer of existing CBUs to another local or accredited overseas CBBS provider; (c) facilitating retrieval of existing CBUs for clinical purposes, such as transplant; and (d) disposing of existing CBUs where such disposal is instructed or authorised in writing by the client. | (a) the Company must ensure that storage conditions of all existing CBUs are appropriate and regularly monitored; |
| | (b) the Company may only facilitate transfer of existing CBUs to another local or accredited overseas CBBS provider, where such transfer is requested by the Company's clients in writing; |
| | (c) the Company may only facilitate retrieval of existing CBUs and perform any necessary pre-release testing when requested by its clients for clinical purposes, such as transplant; and |
| | (d) the Company may only dispose of existing CBUs where instructed or authorised by the client in writing. |

- b. the Company shall, inter alia, replace the Company's clinical governance officer, release stored CBUs for clinical use only after a suitably qualified haematologist has reviewed and assessed that the CBU is suitable for the intended clinical use, retrospectively review all CBUs collective since 14 January 2025, retrospectively review of all laboratory activities since 14 January 2025, disclose instances of non-conformance to the mother of the infant who shall be counselled by a qualified haematologist on the implications of non-conformance in clinical use, and respect and carry out the mother's disposition of the CBU, and re-train all laboratory personnel and implement an effective supervisory framework.

As announced by the Company on 14 January 2026, the Company's CBBS Licence has been renewed for a period one (1) year from 14 January 2026 to 13 January 2027 (both dates inclusive) and subject to the substantially the same aforementioned licence conditions. The Company's human tissue banking service licence has also been renewed for a period of two (2) years from 14 January 2026 to 13 January 2028.

To date, the Company has not been notified of any fines and/or penalties to be imposed on the Company arising from the Non-compliances identified by the MOH.

35 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 of 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 2025 and the date of this Announcement, 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. On 14 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.

As stated in the MOH press release issued on 29 September 2025, MOH undertook a review on the Additional Low-Risk Tanks Test Results and concluded that tested samples from two of the five Low-Risk Tanks met the criteria for viability and potency, but tested samples from the other three Low-Risk Tanks (“Remaining 3 Low-Risk Tanks”) did not. The testing protocol only allowed one sample to fail in each Low-Risk Tank for such tank to meet the acceptance criteria. MOH has directed the Company to conduct a full investigation on the Additional Low-Risk Tanks Test Results as the Company's root cause analysis could not identify conclusive reasons for what could have caused the tested samples in the Remaining 3 Low-Risk Tanks to fail to meet the criteria. The Company will, together with its technical team and advisers, conduct a full investigation on the Additional Low-Risk Tanks Test Results for the Remaining 3 Low-Risk Tanks. Pending completion of such investigations, the Company is unable to ascertain whether the Remaining 3 Low-Risk Tanks were at risk of being adversely affected by temperature excursions.

The Company will update its shareholders and the investing public once it has completed and received the outcome of the full investigation on the Additional Low-Risk Tanks Test Results for the Remaining 3 Low-Risk Tanks, in accordance with the requirements of the listing rules of the Singapore Exchange Securities Trading Limited.

35 Contingent liabilities (cont'd)

(d) Additional Testing of Low-Risk Tanks (cont'd)

Due to uncertainties in the outcome and consequences of the claims against the Company, investigations by MOH and CAD, OA 1365 and the Additional Low-Risk Tanks Results for the Remaining 3 Low-Risk Tanks, including potential claims against the Company by clients of the Company if the investigations yield unfavourable results, the Company is at present unable to assess the financial impact arising therefrom, and there can be no assurance that there will be no material financial impact on the financial performance of the Group.

36 Disclaimer Opinion on the Financial Statements for the Financial Year Ended 31 December 2024

The preceding auditor's report dated 22 May 2025 contains a disclaimer of opinion on the financial statements for the financial year ended 31 December 2024. Below is the extract of the basis for disclaimer opinion.

Basis for Disclaimer of Opinion

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.