

MEDIA RELEASE

Cordlife Unveils Enhanced Processing and Storage Facility in Singapore; Strengthens Processes as It Resumes Collection of Cord Blood Units in a Controlled Manner

SINGAPORE, 17 September 2024 – Cordlife Group Limited (“Cordlife” or the “Company” and together with its subsidiaries, the “Group”), which has been approved to resume cord blood banking activities in Singapore in a controlled manner, today unveiled its enhanced processing and storage facility, featuring strengthened operational protocols and an advanced laboratory monitoring system, among other improvements.

Group Executive Director Ms Chen Xiaoling and Group Chief Executive Officer Mr Ivan Yiu said the intense rectification efforts leading up to the resumption of its services highlight Cordlife's commitment to rebuilding trust with clients in Singapore and laying a stronger foundation for future growth.

"We sincerely apologise for the distress the incident has caused. We are deeply grateful for the patience shown by our clients and the authorities. We drew support from external industry experts as part of our in-depth review," said Ms Chen.

"After vigorous evaluation, the Board, which was reconstituted on 14 May, continues to identify safeguards to prevent such incidents from recurring. We are fully committed to making Cordlife safer, stronger, and more secure for the families who trust us with their children's future health," Ms Chen added.

Enhanced Lab Monitoring and Operational Resilience

A significant highlight of the enhanced 5,400 square feet (502 sqm) facility is its new laboratory monitoring system. This system tracks the temperature of 27 cryogenic storage tanks and other critical equipment, ensuring 24/7 real-time surveillance both on-site and remotely. It provides detailed alerts to technicians, supervisors, and management through multiple communication channels, with procedures in place to escalate issues to senior leadership if necessary.

To further safeguard operations and power supply, the monitoring system is equipped with its own power source, while other equipment in the facility is supported by multiple uninterruptible power supplies and a backup generator. Additionally, the Company has strengthened its core processes and implemented additional failsafe measures, such as assigning more technicians to be on duty after office hours, ensuring continuous operations under any circumstances.



Validated Cord Blood Processing Capabilities

The facility's cord blood processing laboratory is equipped with four units of AXP® II system, a U.S. FDA-approved automated platform for processing cord blood. The Company has successfully completed validation of this system under the supervision of the Ministry of Health's (MOH) expert panel. The system's advanced sensors ensure precise control during processing, allowing for a higher yield of viable stem cells, which is crucial for successful cord blood transplants. The Company has also refurbished its facility and plans to reorganise its key laboratory equipment to streamline operations and improve efficiency.

Staffing and Governance Enhancements

On human resources, Mr Yiu said, "To enhance operational capabilities and improve service quality further, we have increased our laboratory and technical personnel by 18% since I was appointed. We will continue to recruit more experts and professionals to elevate standards further and prepare for future growth."

To ensure robust oversight, Cordlife has established a dedicated oversight committee comprised of certain Board members and management, as well as a Medical and Technical Advisory Board.

Strategic Partnerships and Controlled Resumption of Cord Blood Collection

Cordlife has also engaged Shandong Qilu Stemcell Engineering Co., Ltd. ("Shandong Qilu"), a leading cord blood bank in China, to further strengthen its operational capabilities. Shandong Qilu's expertise, gained from managing about 1 million cord blood units and facilitating over 10,000 cord blood transplants in China, brings invaluable expertise to the Singapore team.

From 15 September 2024 to 13 January 2025 (unless approved sooner by MOH), Cordlife will be permitted to resume its cord blood banking services operations in a controlled manner, provided that the Company shall not collect, test, process, and/or store more than 30 new cord blood units per month from infant donors (including through any person appointed to provide the aforementioned services on behalf of the Company). This follows MOH's confirmation that Cordlife's facility in Singapore has "met the essential criteria necessary for the resumption of its cord blood banking services operations."

Ms Chen said, "Over the last nine months, our staff has worked closely with various industry experts and, most importantly, MOH. We thank MOH for its guidance, which has helped Cordlife emerge with a much stronger foundation. We intend to progress from controlled resumption to full resumption. We will work hard to regain the full trust of MOH and our clients in Singapore."

Mr Yiu said, "Cordlife has emerged from a major challenge, which has made us a more robust cord blood bank in Singapore. Our facilities outside of Singapore are not affected. We will grow our Group's operations to provide more reliable and innovative services, establish strategic partnerships, and grow our market share in the region."



Commitment to Clients and Transparency

Cordlife has been engaging with active clients affected by temperature excursions in two cryogenic storage tanks and a dry shipper to offer a refund of annual fees received from the start of the temperature excursion and a waiver of subsequent fees until the maturity of service agreements when the child turns 21. The Company will store these units at no cost until the maturity of their service agreements when the child turns 21. Cordlife will not unilaterally dispose of any cord blood units for clients whose service agreements are nearing or have already passed maturity until a resolution is reached.

If a transplant physician deems the cord blood unit unsuitable for an approved cord blood transplant solely due to its failure to meet the viability criteria, Cordlife will make all reasonable efforts to find a suitable replacement.

Additionally, donated cord blood units stored in five other cryogenic storage tanks, deemed at low risk of being adversely affected by temperature excursions, are undergoing further testing following the results of the preliminary impact assessment conducted earlier this year. Billings for clients with cord blood in these tanks have been paused pending the test results.

Ms Chen concluded, "Cordlife appreciates the support of all clients over the years. We also thank all clients who have accepted our resolutions in recent months. We are encouraged by this and will continue to engage the remaining clients to reach an amicable resolution."

End



ABOUT CORDLIFE GROUP LIMITED

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

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