



Condensed Interim Financial Statements for the  
Six Months and Full Year Ended 31 December 2023

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**A Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Group			Group		
	6 months ended 31 December		+ / (-) Increase/ (Decrease) %	12 months ended 31 December		+ / (-) Increase/ (Decrease) %
	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
<b>Revenue</b>	27,607	28,918	(4.5)	55,920	55,156	1.4
Cost of sales	<u>(9,264)</u>	<u>(9,307)</u>	(0.5)	<u>(18,425)</u>	<u>(17,967)</u>	2.5
<b>Gross profit</b>	18,343	19,611	(6.5)	37,495	37,189	0.8
Other operating income	463	675	(31.4)	586	816	(28.2)
Selling and marketing expenses	(9,976)	(9,570)	4.2	(19,332)	(18,040)	7.2
Administrative expenses	(9,766)	(9,875)	(1.1)	(18,968)	(18,252)	3.9
Finance income	1,790	1,507	18.8	3,420	2,687	27.3
Finance costs	<u>(133)</u>	<u>(77)</u>	72.7	<u>(268)</u>	<u>(152)</u>	76.3
<b>Profit before income tax from operations *</b>	721	2,271	(68.3)	2,933	4,248	(31.0)
Fair value gain on investment properties	252	537	(53.1)	252	537	(53.1)
Share of profit of associate	<u>740</u>	<u>458</u>	61.6	<u>1,263</u>	<u>718</u>	75.9
<b>Profit before income tax</b>	1,713	3,266	(47.6)	4,448	5,503	(19.2)
Income tax expense	<u>(186)</u>	<u>(274)</u>	(32.1)	<u>(692)</u>	<u>(617)</u>	12.2
<b>Profit for the financial period/year</b>	<u>1,527</u>	<u>2,992</u>	(49.0)	<u>3,756</u>	<u>4,886</u>	(23.1)
<b>Other comprehensive gain/(loss) for the financial period/year, net of tax:</b>						
<i>Item that will not be reclassified to profit or loss:</i>						
Revaluation gain on investment properties	—	482	(100)	—	482	(100)
<i>Item that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation <sup>^</sup>	<u>(1,811)</u>	<u>(3,762)</u>	51.9	<u>(2,491)</u>	<u>(5,312)</u>	53.1
<b>Total comprehensive (loss)/income for the financial period/year</b>	<u>(284)</u>	<u>(288)</u>	(1.4)	<u>1,265</u>	<u>56</u>	>100

**A Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**

	Group			Group		
	6 months ended 31		+ / (-) Increase/ (Decrease) %	12 months ended 31		+ / (-) Increase/ (Decrease) %
	December			December		
	2023	2022		2023	2022	
	\$'000	\$'000		\$'000	\$'000	
<b>Profit/(loss) for the financial period/ year attributable to:</b>						
- Owners of the Company	1,488	2,994	(50.3)	3,713	4,887	(24.0)
- Non-controlling interests	39	(2)	n.m.	43	(1)	n.m.
	<u>1,527</u>	<u>2,992</u>	(49.0)	<u>3,756</u>	<u>4,886</u>	(23.1)
<b>Total comprehensive (loss)/income for the financial period/year attributable to:</b>						
- Owners of the Company	(323)	(294)	9.9	1,214	50	>100
- Non-controlling interests	39	6	>100	51	6	>100
	<u>(284)</u>	<u>(288)</u>	(1.4)	<u>1,265</u>	<u>56</u>	>100
<b>Earnings per share (cents per share):</b>						
- Basic	0.58	1.17	(50.4)	1.45	1.91	(24.1)
- Diluted	0.58	1.17	(50.4)	1.45	1.91	(24.1)

n.m. denotes not meaningful

\*In order to provide more clarity to readers, the Group has separately presented its fair value gain on investment properties and share of profit of associate.

^Foreign currency translation classified as other comprehensive income/(loss) and presented in the foreign currency translation reserve in equity, represents the exchange differences arising from:

- translation of assets and liabilities of foreign operations to Singapore dollars at exchange rates at the reporting date; and
- translation of income and expenses of foreign operations to Singapore dollars at exchange rates at the dates of the transactions.

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.

**A Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**
**A(i) Notes to the consolidated statement of profit or loss**

	Group					
	6 months ended 31 December			12 months ended 31 December		
	2023	2022		2023	2022	
	\$'000	\$'000	\$'000	\$'000		
Depreciation of property, plant and equipment	1,675	1,429	[1]	3,217	2,784	[1]
Amortisation of intangible assets	418	495	[2]	813	899	[2]
Impairment loss on trade receivables and bad debts written off, net	80	633	[3]	294	931	[3]
Foreign exchange loss	80	84		170	189	[4]
Other operating income	(463)	(675)	[5]	(586)	(816)	[5]
Over-provision of tax in respect of prior years	(361)	(327)	[6]	(603)	(59)	[6]
Finance income	(1,790)	(1,507)	[7]	(3,420)	(2,687)	[7]

**Notes**

1. The increase in depreciation of property, plant and equipment in the twelve months ended 31 December 2023 ("FY2023") compared to the twelve months ended 31 December 2022 ("FY2022") and in the six months ended 31 December 2023 ("2H2023") compared to the six months ended 31 December 2022 ("2H2022") was mainly due to the addition of right-of-use assets for new office unit leases in India and Singapore which commenced in 2H2023 and February 2023 respectively, and leasehold improvements made to the Hong Kong laboratory and office in March 2023.
2. The decrease in amortisation of intangible assets in FY2023 compared to FY2022 and in 2H2023 compared to 2H2022 was mainly due to lower amortisation recorded in Malaysia and Hong Kong.
3. The decrease in impairment loss on trade receivables and bad debts written off for FY2023 compared to FY2022 and 2H2023 compared to 2H2022 was mainly due a step-up in collection efforts across the Group, as well as the effect of a shift from annual instalment plans towards upfront payment plans and shorter-term monthly instalment plans over the years.
4. The decrease in foreign exchange loss recognised in FY2023 compared to FY2022 was mainly due to the decrease in foreign exchange loss recognised in Indonesia. In FY2023, there was no major exchange rate fluctuation for IDR against SGD, while in FY2022, IDR weakened steadily against SGD from January 2022 through December 2022, thus resulted in a higher foreign exchange loss incurred during the course of business. The decrease in foreign exchange loss in FY2023 compared to in FY2022 was offset by the increase in foreign exchange loss recognised in the Philippines.

5. Other operating income decreased by approximately S\$230,000 in FY2023 compared to FY2022. In FY2022, the Group recognised a gain on disposal of property, plant and equipment of approximately S\$0.5 million in Singapore. There was no such gain in FY2023. In FY2022, the Group received government grants for COVID-19 of approximately S\$249,000 by Hong Kong and Malaysia. There was no such grant in FY2023. The decrease was offset by the decrease in investment loss from short-term investments held by Malaysia, from a loss of S\$299,000 to a gain of S\$36,000. In addition, there was also an increase in subsidies received by the Group under a technology talent funding scheme in Hong Kong.

The decrease in other income of approximately S\$212,000 in 2H2023 compared to 2H2022 was mainly due to the decrease in gain on disposal of property, plant and equipment of approximately S\$0.5 million in Singapore and a decrease in government grants for COVID-19 of S\$101,000 received in Hong Kong and Malaysia. The decrease was slightly mitigated by the gain on investment income of S\$15,000 (2H2022: investment loss of S\$73,000) and the increase in subsidies received by the Group under a technology talent funding scheme in Hong Kong.

6. Over-provision of tax in respect of prior years of approximately S\$603,000 for FY2023 mainly comprises over-provision of corporate income tax of S\$212,000 and S\$145,000 in Singapore and Indonesia respectively, an over-provision of deferred tax liability of S\$74,000 in Malaysia and an under-provision of deferred tax asset of S\$244,000 in the Philippines, partly offset by an under-provision of corporate income tax of S\$72,000 in the Philippines.

In FY2022, the over-provision of tax in respect of prior years of S\$386,000 comprises mainly an under-provision of deferred tax asset of S\$415,000 in Singapore in relation to unutilised merger and acquisition allowance for acquisitions made in previous years, over-provision of corporate tax and deferred tax liability in Singapore of S\$2,000 and S\$18,000 respectively, slightly offset by an under-provision of corporate income tax of S\$49,000 in Indonesia.

Over-provision of tax in respect of prior years of S\$361,000 for 2H2023 mainly comprises under-provision of deferred tax asset of S\$244,000 in the Philippines and an over-provision of corporate income tax of S\$212,000 in Singapore, offset by an under-provision of corporate income tax of S\$72,000 and S\$21,000 in the Philippines and Indonesia respectively.

In 2H2022, over-provision of tax in respect of prior years of S\$327,000 was due an under-provision of deferred tax asset of S\$361,000 in Singapore in relation to unutilised merger and acquisition allowance for acquisitions made in previous years, over-provision of deferred tax liability and corporate tax of S\$18,000 and S\$17,000 in Singapore respectively, offset by under-provision of corporate tax of S\$69,000 in Malaysia and Indonesia.

7. Finance income increased by S\$733,000 and S\$283,000 from FY2022 to FY2023 and 2H2022 to 2H2023 respectively. The increase in finance income is mainly due to the increase in deposit interest rates as well as increase in funds placed in fixed deposits.

**B Condensed interim statements of financial position**

	Group as at		Company as at	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	16,271	14,424	6,112	5,687
Investment properties	4,736	4,618	2,433	2,269
Intangible assets	29,308	30,446	995	742
Deferred tax assets	858	890	415	415
Investment in subsidiaries	—	—	56,841	56,841
Investment in associate	2,218	1,513	—	—
Contract assets	62,839	63,597	38,788	39,637
Other receivables	10	—	—	—
Fixed deposits	8,671	4,746	—	—
	<u>124,911</u>	<u>120,234</u>	<u>105,584</u>	<u>105,591</u>
<b>Current assets</b>				
Inventories	797	1,362	207	280
Prepayments	2,215	2,312	879	1,083
Trade receivables	22,672	25,475	10,215	11,197
Other receivables	3,170	2,939	751	689
Tax recoverable	1,105	1,124	—	—
Amount owing by subsidiaries	—	—	25,349	24,358
Short-term investments	5,855	5,819	4,627	4,562
Fixed deposits	40,731	45,970	6,111	10,075
Pledged fixed deposits	8,860	9,379	—	—
Cash and cash equivalents	18,423	13,381	7,127	3,882
	<u>103,828</u>	<u>107,761</u>	<u>55,266</u>	<u>56,126</u>
<b>Total assets</b>	<u>228,739</u>	<u>227,995</u>	<u>160,850</u>	<u>161,717</u>
<b>Current liabilities</b>				
Trade and other payables	10,957	9,955	3,726	2,905
Amounts owing to subsidiaries	—	—	3,036	3,987
Lease liabilities	1,813	1,199	411	203
Contract liabilities	8,821	9,035	3,660	3,702
Tax payable	500	699	—	—
	<u>22,091</u>	<u>20,888</u>	<u>10,833</u>	<u>10,797</u>
<b>Net current assets</b>	<u>81,737</u>	<u>86,873</u>	<u>44,433</u>	<u>45,329</u>

**B Condensed interim statements of financial position (cont'd)**

	Group As at		Company As at	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>Non-current liabilities</b>				
Other payables	1,005	522	—	—
Amount owing to subsidiaries	—	—	12,846	13,198
Lease liabilities	1,692	1,018	386	320
Contract liabilities	64,380	67,280	14,058	16,188
Deferred tax liabilities	3,730	3,959	15	15
	<u>70,807</u>	<u>72,779</u>	<u>27,305</u>	<u>29,721</u>
<b>Total liabilities</b>	<u>92,898</u>	<u>93,667</u>	<u>38,138</u>	<u>40,518</u>
<b>Net assets</b>	<u>135,841</u>	<u>134,328</u>	<u>122,712</u>	<u>121,199</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	94,468	94,686	94,468	94,686
Treasury shares	(12,194)	(12,554)	(12,194)	(12,554)
Accumulated profits	75,703	71,990	39,751	38,486
Other reserves	(22,453)	(20,060)	687	581
	<u>135,524</u>	<u>134,062</u>	<u>122,712</u>	<u>121,199</u>
<b>Non-controlling interests</b>	<u>317</u>	<u>266</u>	<u>—</u>	<u>—</u>
<b>Total equity</b>	<u>135,841</u>	<u>134,328</u>	<u>122,712</u>	<u>121,199</u>
<b>Total equity and liabilities</b>	<u>228,739</u>	<u>227,995</u>	<u>160,850</u>	<u>161,717</u>

**C Condensed interim consolidated statement of cash flows**

	<b>Group</b>	
	<b>12 months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax	4,448	5,503
Adjustments for:		
Depreciation of property, plant and equipment	3,217	2,784
Amortisation of intangible assets	813	899
Loss/(gain) on disposal of property, plant and equipment	5	(498)
Impairment loss on receivables and bad debts written off, net	294	931
Interest income	(3,420)	(2,687)
Interest expense	268	152
Investment (gain)/loss	(36)	299
Share-based compensation expense/(reversal)	248	(113)
Fair value gain on investment properties	(252)	(537)
Loss/(gain) on financial asset at fair value through profit or loss	30	(28)
Share of profit of associate	(1,263)	(718)
Unrealised exchange loss	107	81
<b>Operating cash flows before changes in working capital</b>	4,459	6,068
<u>Changes in working capital</u>		
Decrease/(Increase) in trade receivables	2,240	(3,443)
Decrease in contract assets	567	1,797
Increase in other receivables and prepayments	(65)	(805)
Decrease in inventories	565	66
Increase/(decrease) in trade and other payables	1,635	(1,072)
Decrease in lease liabilities	(1,860)	(1,771)
(Decrease)/Increase in contract liabilities	(1,718)	3,811
<b>Cash generated from operations</b>	5,823	4,651
Interest received	3,167	2,513
Income tax paid	(1,054)	(1,220)
<b>Net cash from operating activities</b>	7,936	5,944

**C Condensed interim consolidated statement of cash flows (cont'd)**

	Group	
	12 months ended 31 December	
	2023	2022
	\$'000	\$'000
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,273)	(1,758)
Purchase of intangible assets	(558)	(638)
Proceeds from sale of investment properties	—	2,841
Proceeds from disposal of property, plant and equipment	7	1,533
Dividend received	466	160
Redemption of short-term investments	—	13,099
Transfer to term deposits	(273)	(10,806)
<b>Net cash generated (used in)/generated from investing activities</b>	<u>(2,631)</u>	<u>4,431</u>
<b>Cash flows from financing activities:</b>		
Transfer to pledged fixed deposits	—	(9,371)
Dividends paid	—	(2,304)
<b>Cash flows used in financing activities</b>	<u>—</u>	<u>(11,675)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	5,305	(1,300)
<b>Cash and cash equivalents at the beginning of the financial year</b>	13,381	15,458
Effects of exchange rate changes on cash and cash equivalents	(263)	(777)
<b>Cash and cash equivalents at end of the financial year</b>	<u><u>18,423</u></u>	<u><u>13,381</u></u>

**Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2023**
**D Condensed interim statements of changes in equity**

	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	Non-controlling interests \$'000	Total \$'000
<b>Group</b>											
<b>At 1 January 2022</b>	95,163	(13,290)	69,407	531	568	534	(11,931)	—	(4,553)	260	136,689
Profit/(loss) for the financial year	—	—	4,887	—	—	—	—	—	—	(1)	4,886
Other comprehensive income/(loss) for the financial year, net of tax											
- Revaluation gain of investment properties	—	—	—	—	—	—	—	477	—	5	482
- Foreign currency translation	—	—	—	—	—	—	—	—	(5,314)	2	(5,312)
Total comprehensive income/(loss) for the financial year, net of tax	—	—	4,887	—	—	—	—	477	(5,314)	6	56
<u>Contributions by and distributions to owners</u>											
Reversal of share awards to employees	—	—	—	(113)	—	—	—	—	—	—	(113)
Reissuance of treasury shares pursuant to equity compensation plans	(477)	736	—	(259)	—	—	—	—	—	—	—
Dividends	—	—	(2,304)	—	—	—	—	—	—	—	(2,304)
Total contributions by and distributions to owners	(477)	736	(2,304)	(372)	—	—	—	—	—	—	(2,417)
<b>At 31 December 2022</b>	94,686	(12,554)	71,990	159	568	534	(11,931)	477	(9,867)	266	134,328

**Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2023**
**D Condensed interim statements of changes in equity (cont'd)**

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Total \$'000
<b>At 1 January 2022</b>	95,163	(13,290)	30,233	531	422	113,059
Profit for the financial year, representing total comprehensive income for the financial year	—	—	10,557	—	—	10,557
<u>Contributions by and distributions to owners</u>						
Reversal of share awards to employees	—	—	—	(113)	—	(113)
Reissuance of treasury shares pursuant to equity compensation plans	(477)	736	—	(259)	—	—
Dividends	—	—	(2,304)	—	—	(2,304)
Total contributions by and distributions to owners	(477)	736	(2,304)	(372)	—	(2,417)
<b>At 31 December 2022</b>	<b>94,686</b>	<b>(12,554)</b>	<b>38,486</b>	<b>159</b>	<b>422</b>	<b>121,199</b>

**Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2023**
**D Condensed interim statements of changes in equity (cont'd)**

	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	Non-controlling interests \$'000	Total \$'000
<b>Group</b>											
<b>At 1 January 2023</b>	94,686	(12,554)	71,990	159	568	534	(11,931)	477	(9,867)	266	134,328
Profit for the financial year	—	—	3,713	—	—	—	—	—	—	43	3,756
Other comprehensive gain/(loss) for the financial year, net of tax											
- Foreign currency translation	—	—	—	—	—	—	—	—	(2,499)	8	(2,491)
Total comprehensive income/(loss) for the financial year, net of tax	—	—	3,713	—	—	—	—	—	(2,499)	51	1,265
<u>Contributions by and distributions to owners</u>											
Grant of share awards to employees	—	—	—	248	—	—	—	—	—	—	248
Reissuance of treasury shares pursuant to equity compensation plans	(218)	360	—	(142)	—	—	—	—	—	—	—
Total contributions by and distributions to owners	(218)	360	—	106	—	—	—	—	—	—	248
<b>At 31 December 2023</b>	94,468	(12,194)	75,703	265	568	534	(11,931)	477	(12,366)	317	135,841

**Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2023**
**D Condensed interim statements of changes in equity (cont'd)**

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Total \$'000
<b>At 1 January 2023</b>	94,686	(12,554)	38,486	159	422	121,199
Profit for the financial year, representing total comprehensive income for the financial year	—	—	1,265	—	—	1,265
<u>Contributions by and distributions to owners</u>						
Grant of share awards to employees	—	—	—	248	—	248
Reissuance of treasury shares pursuant to equity compensation plans	(218)	360	—	(142)	—	—
Total contributions by and distributions to owners	(218)	360	—	106	—	248
<b>At 31 December 2023</b>	<b>94,468</b>	<b>(12,194)</b>	<b>39,751</b>	<b>265</b>	<b>422</b>	<b>122,712</b>

## **E Notes to the condensed interim consolidated financial statements**

### **1 Corporate information**

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”). These condensed interim financial statements as at and for the six months and twelve months ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in equity-accounted investees.

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:

- a. provision of cord blood, cord lining and cord tissue banking services
- b. provision of newborn metabolic screening services
- c. provision of medical laboratory and diagnostic services and general medical screening tests
- d. property investment
- e. investment holding
- f. provision of marketing services

### **2 Basis of Preparation**

#### **2(a) Statement of compliance**

The condensed interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I”).

#### **2(b) Basis of measurement**

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

#### **2(c) Functional and presentation currency**

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

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**2 Basis of Preparation (cont'd)**
**2(d) Use of estimates and judgements**

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 critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial statements are as follows :

- *Revenue recognition: whether revenue from rendering of cord blood, cord lining and cord tissue banking services is recognised over time or point in time*

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 or full upfront payment upon contract signing or client 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	Refunds will be provided if no collection is done.
Obligations for warranties	Nil

Rendering of cord blood, cord lining and cord tissue banking services: storage revenue

Nature of goods or services	Cryogenic storage 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 or full upfront payment upon contract signing or client 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 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

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**2 Basis of Preparation (cont'd)**
**2(d) Use of estimates and judgements (cont'd)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next interim period are as follows:

- *Fair value of investment properties: determination of fair value of investment properties based on the valuation technique and significant unobservable inputs*

For the year ended 31 December 2023, 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 valuations are based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market.

- *Impairment of non-financial assets: key assumptions used the determination of recoverable amounts*

For the purposes of impairment testing, goodwill acquired through business combinations has been allocated to the Group's cash generating units ("CGUs") (operating divisions) as follows :

	<b>Group</b>	
	<b>As at</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Business operations in Malaysia – Stemlife Berhad	6,636	7,034
Business operations in Hong Kong – Healthbaby and Cordlife Hong Kong	19,603	19,956
	<u>26,240</u>	<u>26,990</u>

As at 31 December 2023, the recoverable amount of CGUs has been determined based on the greater of fair value less costs of disposal and value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

- *Measurement of expected credit losses ("ECLs") allowance for trade and other receivables and contract assets: key assumptions in determining the weighted-average loss*

As at 31 December 2023, the Group uses an allowance matrix to measure the ECLs of trade receivables 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 historical experience and informed credit assessment alongside other factors such as the current state of the economy and particular industry issues.

**E Notes to the condensed interim consolidated financial statements (cont'd)**

**2 Basis of Preparation (cont'd)**

**2(d) Use of estimates and judgements (cont'd)**

The preparation of the condensed interim 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.

**3 Seasonal operations**

The Group's business are not affected significantly by seasonal or cyclical factors during the financial period.

**4 Segment and revenue information**

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 of the banking of samples such as cord blood, cord lining and cord tissue. Cord blood, cord lining and cord tissue are collected, processed and stored in the various laboratories in the regions that the Group operates in.
- The diagnostics segment comprises diagnostic testing such as non-invasive prenatal testing service, newborn metabolic screening, newborn genetic screening and paediatric vision screening 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:

- Interest income excluding interest income on contract assets.
- Income taxes that are managed on a group basis.
- Subsidiaries not in the principal activities of the provision of cord blood, cord lining and cord tissue banking services, non-invasive prenatal testing services, newborn metabolic screening, and paediatric vision screening services.

No operating segments have been aggregated to form the above reportable operating segments.

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**4 Segment and revenue information (cont'd)**

	<b>Banking \$'000</b>	<b>Diagnostics \$'000</b>	<b>Total \$'000</b>
<b>Segment revenue</b>			
<b>1 July 2023 to 31 December 2023</b>			
Revenue from external clients	25,449	2,158	27,607
Total consolidated revenue			<u>27,607</u>
<b>1 July 2022 to 31 December 2022</b>			
Revenue from external clients	26,712	2,206	28,918
Total consolidated revenue			<u>28,918</u>
<b>Segment results</b>			
<b>1 July 2023 to 31 December 2023</b>			
Depreciation and amortisation	(2,059)	(34)	(2,093)
Segment profit	142	579	721
Fair value gain on investment properties			252
Share of profit of associate			740
Profit before income tax			<u>1,713</u>
Income tax			(186)
Profit for the period			<u>1,527</u>
<b>1 July 2022 to 31 December 2022</b>			
Depreciation and amortisation	(1,922)	(2)	(1,924)
Segment profit	1,874	397	2,271
Fair value gain on investment properties			537
Share of profit of associate			458
Profit before income tax			<u>3,266</u>
Income tax			(274)
Profit for the period			<u>2,992</u>

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**4 Segment and revenue information (cont'd)**

	<b>Banking \$'000</b>	<b>Diagnostics \$'000</b>	<b>Total \$'000</b>
<b>Segment revenue</b>			
<b>1 January 2023 to 31 December 2023</b>			
Revenue from external clients	51,474	4,446	55,920
Total consolidated revenue			<u>55,920</u>
<b>1 January 2022 to 31 December 2022</b>			
Revenue from external clients	50,835	4,321	55,156
Total consolidated revenue			<u>55,156</u>
<b>Segment results</b>			
<b>1 January 2023 to 31 December 2023</b>			
Depreciation and amortisation	<u>(3,993)</u>	<u>(37)</u>	<u>(4,030)</u>
Segment profit	2,083	850	2,933
Fair value gain on investment properties			252
Share of profit of associate			1,263
Profit before income tax			<u>4,448</u>
Income tax			<u>(692)</u>
Profit for the year			<u>3,756</u>
<b>1 January 2022 to 31 December 2022</b>			
Depreciation and amortisation	<u>(3,678)</u>	<u>(5)</u>	<u>(3,683)</u>
Segment profit	3,484	764	4,248
Fair value gain on investment properties			537
Share of profit of associate			718
Profit before income tax			<u>5,503</u>
Income tax			<u>(617)</u>
Profit for the year			<u>4,886</u>

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**4 Segment and revenue information (cont'd)**
**Segment assets and liabilities**

	Banking \$'000	Diagnostics \$'000	Others* \$'000	Total \$'000
<b>31 December 2023</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	5,693	196	—	5,889
Segment assets	263,401	7,355	850	271,606
Investment in associate				2,218
Investment properties				4,736
Eliminations+				(49,821)
Per interim financial statements				<u>228,739</u>
Segment liabilities	123,998	2,044	12,441	138,483
Tax payables				500
Deferred tax liabilities				3,730
Eliminations+				(49,815)
Per interim financial statements				<u>92,898</u>
<b>31 December 2022</b>				
Additions to non-current assets, comprising additions to property, plant and equipment and intangible assets	3,288	26	—	3,314
Segment assets	266,521	4,937	807	272,265
Investment in associate				1,513
Investment properties				4,618
Eliminations+				(50,401)
Per interim financial statements				<u>227,995</u>
Segment liabilities	125,559	1,333	12,358	139,250
Tax payables				699
Deferred tax liabilities				3,959
Eliminations+				(50,241)
Per interim financial statements				<u>93,667</u>

+ Inter-segment balances are eliminated on consolidation.

\* Others refer to the assets and liabilities of subsidiaries not offering services under the banking and diagnostics segments.

**E Notes to the condensed interim consolidated financial statements (cont'd)**
**4 Segment and revenue information (cont'd)**

	Revenue			
	6 months ended 31 December		12 months ended 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	11,944	12,294	24,807	23,529
Hong Kong	4,581	3,704	8,735	7,322
India	3,141	4,337	6,342	8,365
Malaysia	1,758	1,908	3,517	3,746
Philippines	3,262	3,283	6,523	5,967
Indonesia	2,941	3,392	6,016	6,227
	<u>27,627</u>	<u>28,918</u>	<u>55,940</u>	<u>55,156</u>

**A breakdown of sales as follows:**

	Group		+ / (-)
	Financial Year ending		Increase/ (Decrease) %
	31 December 2023	31 December 2022	
	\$'000	\$'000	
(a) Revenue reported for first half year (e.g. 1 Jan – 30 Jun)	28,313	26,238	7.9
(b) Profit after tax before deducting non-controlling interests reported for the first half year	2,229	1,894	17.7
(c) Revenue reported for second half year (e.g. 1 Jul – 31 Dec)	27,607	28,918	(4.5)
(d) Profit after tax before deducting non-controlling interests reported for the second half year	1,527	2,992	(49.0)

**5 Taxation**

	<b>Group</b>			
	<b>6 months ended 31 December</b>		<b>12 months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
<b><i>Current tax expense</i></b>				
Current year	570	561	1,395	1,154
(Over)/under-provision in respect of previous years	(119)	86	(285)	47
	<u>451</u>	<u>647</u>	<u>1,110</u>	<u>1,201</u>
<b><i>Deferred tax expense</i></b>				
Origination and reversal of temporary differences	(23)	40	(100)	(151)
Over-provision in respect of previous years	(242)	(413)	(318)	(433)
	<u>186</u>	<u>274</u>	<u>692</u>	<u>617</u>

Income tax is calculated at prevailing tax rates of the respective countries on the estimated assessable profit for the period.



Other information required under Appendix 7.2 of the  
SGX-ST Listing Manual

**1(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Company	Number of shares	Share capital (\$)
<b>As at 31 December 2022</b>	255,977,394	94,686,038
Treasury shares reissued pursuant to equity compensation plans	330,350	(218,316)
<b>As at 31 December 2023</b>	<u>256,307,744</u>	<u>94,467,722</u>

**1(b) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	As at	
	As at 31 December 2023	As at 31 December 2022
	No. of shares	No. of shares
Total number of issued shares	267,525,354	267,525,354
Less: Treasury shares	(11,217,610)	(11,547,960)
Total number of issued shares excluding treasury shares	<u>256,307,744</u>	<u>255,977,394</u>
Percentage of treasury shares against total number of shares outstanding	4.2 %	4.3 %

**1(c) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

On 8 May 2023 and 22 May 2023, 285,350 and 45,000 treasury shares were reissued respectively pursuant to the Cordlife Share Grant Plan.

**1(d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter)**

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) Updates on the efforts taken to resolve each outstanding audit issue, (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in note (5) below, the condensed interim financial statements for the current period reported on have been presented using the same accounting policies and methods of computation as presented in the Company's most recently audited annual financial statements.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") which became effective for the financial year beginning 1 January 2023.

The adoption of these new/revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the condensed interim financial statements of the Group for the current reporting period or the reporting periods in prior years.

**6 Earnings per ordinary share**

	Group			
	6 months ended 31 December		12 months ended 31 December	
<b>Basic Earnings Per Share</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:</b>				
Profit attributable to shareholders of the Company (S\$ '000)	1,488	2,994	3,713	4,887
Weighted average number of shares in issue during the period ('000)	255,632	255,977	255,515	255,748
Basic earnings per share based on weighted average number of ordinary shares (cents)	<u>0.58</u>	<u>1.17</u>	<u>1.45</u>	<u>1.91</u>
<b>Diluted Earnings Per Share</b>				
<b>Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders of the Company:</b>				
Profit attributable to shareholders of the Company (S\$ '000)	1,488	2,994	3,713	4,887
Weighted average number of shares in issue during the period ('000)	255,618	256,395	255,618	256,229
Diluted earnings per share based on weighted average number of ordinary shares (cents)	<u>0.58</u>	<u>1.17</u>	<u>1.45</u>	<u>1.91</u>

Notes:

Basic earnings per share are calculated by dividing profit net of tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share are calculated by dividing profit net of tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares shall be treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share.

**7 Net asset value**

	Group		Company	
	31 December 2023 (cents)	31 December 2022 (cents)	31 December 2023 (cents)	31 December 2022 (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the relevant period	53.00	52.48	47.88	47.35

The number of shares in issue (excluding treasury shares) and used in calculating the net asset value per share as at 31 December 2023 is 256,307,744 (31 December 2022: 255,977,394).

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**COMPARING 6 MONTHS ENDED 31 DECEMBER 2023 ("2H2023") AGAINST 6 MONTHS ENDED 31 DECEMBER 2022 ("2H2022")**

**Income Statement**

Revenue

Revenue decreased by 4.5% or S\$1.3 million from S\$28.9 million in 2H2022 to S\$27.6 million in 2H2023, comprising a 4.7% decline in revenue contributed by the banking business unit ("Banking revenue"), from S\$26.7 million in 2H2022 to S\$25.4 million in 2H2023. The decrease in Banking revenue was mainly due to a 12.0% decrease in new samples processed and stored from 10,000 in 2H2022 to 8,800 in 2H2023, largely based on contributions by Singapore, India and Indonesia.

On 15 December 2023, the Company received a notice from Ministry of Health ("MOH") 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 provide any new types of tests to clients in Singapore (the "Suspension").

The decrease was offset by an increase in new samples processed in the Philippines and Hong Kong during the year.

The decrease in Banking revenue was less than the decrease in new samples processed and stored was mainly due to higher conversions to high value plans and lower discounts provided.

The diagnostics business unit maintained its revenue contribution ("Diagnostics revenue") of S\$2.2 million in both 2H2023 and 2H2022.

Gross profit and gross profit margin

Gross profit decreased from S\$19.6 million in 2H2022 to S\$18.3 million in 2H2023 mainly due to the decrease in new samples processed and stored. The gross profit margin decreased to 66.4% in 2H2023 as compared to 67.8% in 2H2022 largely due to inflationary pressures affecting the Group's cost of service delivery. In addition, Singapore continued to incur fixed running costs despite the Suspension which further eroded the gross profit and gross profit margin.

Other operating income

The decrease in other income of approximately S\$212,000 in 2H2023 compared to 2H2022 was mainly due to decrease in gain on disposal of property, plant and equipment of approximately S\$0.5 million in Singapore and a decrease in government grants for COVID-19 of S\$101,000 received in Hong Kong and Malaysia. The decrease was slightly mitigated by the gain on investment income of S\$15,000 (2H2022: investment loss of S\$73,000) and the increase in subsidies received by the Group under a technology talent funding scheme in Hong Kong.

Finance income

Finance income comprises interest income from deposits, short-term investments and note receivable of S\$1.8 million (2H2022: S\$1.5 million). The increase in finance income was mainly due to the increase in deposit interest rates as well as increase in funds placed in fixed deposits.

Finance costs

Finance costs relate to lease liabilities amounted to S\$133,000 (2H2022: interest-bearing borrowings and lease liabilities which amounted to S\$77,000). The increase was mainly due to the additions of right-of-use assets for new office unit leases which commenced in FY2023 in India and Singapore..

Profit before income tax from operations

As a result of the foregoing, the profit before income tax from operations of S\$0.7 million for 2H2023 was 68.3% lower than for 2H2022.

Fair value gain on investment properties

In 2H2023, the Group recognised fair value gain of S\$252,000 (2H2022: S\$537,000) on its investment properties held in Singapore and Malaysia.

Share of profit of associate

In 2H2023, the Group recognised the share of profit of associate of S\$740,000 compared to S\$458,000 recognised in 2H2022.

### Tax

In 2H2023, fair value gain on investment properties was not taxable. In 2H2022, government grants, gain on disposal of property, plant and equipment and the fair value gain on investment properties were not taxable.

Over-provision of tax in respect of prior years of S\$361,000 for 2H2023 mainly comprises under-provision of deferred tax asset of S\$244,000 in the Philippines and an over-provision of corporate income tax of S\$212,000 in Singapore, offset by an under-provision of corporate income tax of S\$72,000 and S\$21,000 in the Philippines and Indonesia respectively.

In 2H2022, over-provision of tax in respect of prior years of S\$327,000 was due an under-provision of deferred tax asset of S\$361,000 in Singapore in relation to unutilised merger and acquisition allowance for acquisitions made in previous years, over-provision of deferred tax liability and corporate tax of S\$18,000 and S\$17,000 in Singapore respectively, offset by under-provision of corporate tax of S\$69,000 in Malaysia and Indonesia.

Adjusting for the foregoing, the effective tax rate of 37.3% in 2H2023 was higher than 2H2022 at 26.6% mainly due to tax losses not recognised in certain countries as well as the increase in contribution to the profit before tax from countries with higher tax rates.

## **COMPARING 12 MONTHS ENDED 31 DECEMBER 2023 (“FY2023”) AGAINST 12 MONTHS ENDED 31 DECEMBER 2022 (“FY2022”)**

### **Income Statement**

#### Revenue

Revenue increased by 1.4% or S\$0.8 million from S\$55.2 million in FY2022 to S\$55.9 million in FY2023. The increase in revenue comprised a 1.3% or S\$0.6 million increase in Banking revenue from S\$50.8 million in FY2022 to S\$51.5 million in FY2023. New samples processed and stored declined by 3.8% from 18,400 samples in FY2022 to 17,700 in FY2023 largely due to a decrease in new samples processed and stored in India, partly offset by an increase in the Philippines and Hong Kong. Banking revenue increased despite the decline in new samples processed and stored, in part due to the higher selling price per contract in the Philippines and Hong Kong compared to India. There was also more conversions to high value plans and lower discounts provided, which increased the overall average revenue per new sample stored, as well as new banking services introduced during the year.

Diagnostics revenue grew by 2.9% or S\$125,000 from FY2022 to FY2023, contributed by increase in testing volume in Hong Kong, the Philippines and Singapore.

#### Gross profit and gross profit margin

Gross profit increased marginally from S\$37.2 million in FY2022 to S\$37.5 million in FY2023 mainly due to the 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 67.1% in FY2023 as compared to 67.4% in FY2022, largely due to inflationary pressures affecting the Group's cost of service delivery. In addition, Singapore continued to incur fixed running costs despite the Suspension which further eroded the gross profit and gross profit margin.

Other operating income

Other operating income decreased by approximately S\$230,000 in FY2023 compared to FY2022. In FY2022, the Group recognised a gain on disposal of property, plant and equipment of approximately S\$0.5 million in Singapore. There was no such gain in FY2023. In FY2022, the Group received government grants for COVID-19 of approximately S\$249,000 by Hong Kong and Malaysia. There was no such grant in FY2023. The decrease was offset by the decrease in investment loss from short-term investments held by Malaysia, from a loss of S\$299,000 to a gain of S\$36,000. In addition, there was also an increase in subsidies received by the Group under a technology talent funding scheme in Hong Kong.

Finance income

Finance income comprises interest income from deposits, short-term investments and note receivable of S\$3.4 million (FY2022: S\$2.7 million). The increase in finance income was mainly due to the increase in deposit interest rates as well as increase in funds placed in fixed deposits.

Finance costs

Finance costs relate to lease liabilities which amounted to S\$268,000 (FY2022: interest-bearing borrowings and lease liabilities which amounted to S\$152,000). The increase was mainly due to the additions of right-of-use assets for new office unit leases which commenced in FY2023 in India and Singapore.

Profit before income tax from operations

As a result of the foregoing, the profit before income tax from operations of S\$2.9 million for FY2023 was 31.0% lower than for FY2022.

Fair value gain on investment properties

In FY2023, the Group recognised fair value gain of S\$252,000 (FY2022: S\$537,000) on its investment properties held in Singapore and Malaysia.

Share of profit of associate

In FY2023, the Group recognised the share of profit of associate of S\$1,263,000, which was a 75.9% increase compared to S\$718,000 recognised in FY2022.

Tax

In FY2023, fair value gain on investment properties was not taxable. In FY2022, government grants, gain on disposal of property, plant and equipment and fair value gain on investment properties were not taxable.

Over-provision of tax in respect of prior years of approximately S\$603,000 for FY2023 mainly comprises over-provision of corporate income tax of S\$212,000 and S\$145,000 in Singapore and Indonesia respectively, an over-provision of deferred tax liability of S\$74,000 in Malaysia and an under-provision of deferred tax asset of S\$244,000 in the Philippines, partly offset by an under-provision of corporate income tax of S\$72,000 in the Philippines.

In FY2022, the over-provision of tax in respect of prior years of S\$386,000 comprises mainly an under-provision of deferred tax asset of S\$415,000 in Singapore in relation to unutilised merger and acquisition allowance for acquisitions made in previous years, over-provision of corporate tax and deferred tax liability in Singapore of S\$2,000 and S\$18,000 respectively, slightly offset by an under-provision of corporate income tax of S\$49,000 in Indonesia.

Adjusting for the foregoing, the effective tax rate of 30.8% in FY2023 was higher than FY2022 at 23.1% due to tax losses not recognised in certain countries as well as the increase in contribution to the profit before tax from countries with higher tax rates.

### **Balance sheet**

Cash and cash equivalents, unpledged and pledged fixed deposits (“fixed deposits”), short-term investments (“investments”)

As at 31 December 2023, the Group maintained a strong balance sheet, with cash and cash equivalents, fixed deposits, investments of S\$82.5 million (31 December 2022: S\$79.3 million). Investments mainly comprise short-term investments in money market funds and redeemable convertible note (“RCN”) from CellResearch Corporation Pte. Ltd. (“CRC”).

The increase cash and cash equivalents of S\$5.0 million from S\$13.4 million as at 31 December 2022 to S\$18.4 million as at 31 December 2023 was mainly due to cash generated from operating activities of S\$7.9 million and dividend received from associate of S\$0.5 million, offset by the purchase of property, plant and equipment and intangible assets of S\$2.8 million.

Net cash generated from operating activities comprised mainly operating cash flows before movements in working capital of S\$4.5 million, net working capital inflow of S\$1.4 million and net interest received of S\$3.2 million offset by net income tax paid of S\$1.1 million.

Net working capital inflow of approximately S\$1.4 million comprised the following:

- decrease in trade receivables of approximately S\$2.2 million;
- decrease in contract assets of approximately S\$0.6 million;
- increase in other receivables, deposits and prepayments of approximately S\$0.1 million;
- decrease in inventories of approximately S\$565,000;
- increase in trade and other payables of approximately S\$1.6 million;
- decrease in lease liabilities of approximately S\$1.9 million; and
- decrease in contract liabilities of approximately S\$1.7 million.

The decrease in current and non-current fixed deposits and short-term investments of S\$1.8 million is mainly due to the weakening of the Malaysian Ringgit and Indian Rupee against the Singapore Dollar which resulted in translation losses on fixed deposits in the Malaysia and India subsidiary, offset by the net transfers to term deposits from cash and cash equivalents of S\$0.3 million.

### Property, plant and equipment

As at 31 December 2023, the Group recorded S\$16.3 million on its balance sheet for property, plant and equipment (31 December 2022: S\$14.4 million). The increase in property, plant and equipment was due to additions of approximately S\$5.3 million, which mainly comprised right-of-use assets recognised for leased office units in India and Singapore and leasehold improvement made to Hong Kong laboratory and office units, offset by depreciation of S\$3.2 million recognised in FY2023.

### Investment properties

As at 31 December 2023, the Group recorded S\$4.7 million on its balance sheet for investment properties (31 December 2022: S\$4.6 million).

Intangible assets

Intangible assets comprise client contracts, brand and goodwill acquired in business combinations and computer software.

Deferred tax assets

As at 31 December 2023 and 31 December 2022, the Group recorded deferred tax assets of S\$0.9 million. As of 31 December 2022, deferred tax assets represent prior year tax losses carried forward as a result of the transitional adjustments arising from the adoption of FRS115 in the Hong Kong subsidiary and unutilised merger and acquisition allowance, relating to acquisitions made by the Company in previous years. In FY2023, approximately S\$244,000 of additional deferred tax asset was recognised in the Philippines due to deductible temporary differences. The increase was offset by the utilisation of deferred tax asset to offset against FY2023 profit of the Hong Kong subsidiary.

Investment in associate

Investment in associate comprise of a 39.61% stake in TSL through Stemlife Berhad. The increase in investment in associate was due to the recognition of the share of profit of associate of S\$1,263,000 in FY2023, slightly offset by the dividend received from TSL.

Contract assets, non-current

Non-current contract assets represent all service revenues arising from the performance obligations identified under instalment payment plans in the cord blood, cord lining and cord tissue banking contracts that have yet to be billed to clients. Upon billing, the billed amount will be receivable under the same terms as the current trade receivables. As at 31 December 2023, the Group recorded non-current contract assets of S\$62.8 million (31 December 2022: S\$63.6 million).

Inventories

As at 31 December 2023, the Group recorded inventories of S\$0.8 million (31 December 2022: S\$1.4 million). The decrease in inventories was mainly due to a change in a major supplier for cord blood processing kits. During this transition period, the Group depleted, without replenishment, consumables from the previous supplier, while building up its inventory for consumables from the new supplier, taking into consideration effective inventory management.

Trade receivables, current

Current trade receivables as at 31 December 2023 was S\$22.7 million compared to S\$25.5 million as at 31 December 2022. The decrease in current trade receivables is partly due to the termination of contracts for clients who have signed up but not yet delivered in Singapore as a result of the Suspension.

Trade and other payables, current and non-current

As at 31 December 2023, the Group recorded current trade and other payables of S\$11.0 million (31 December 2022: S\$10.0 million) and non-current other payables of S\$1.0 million (31 December 2022: S\$522,000). The increase was mainly attributable to the increase in provision required for restatement cost of office units in Hong Kong and non-trade payables in FY2023 compared to FY2022.

Lease liabilities, current and non-current

As of 31 December 2023, the Group recognised lease liabilities of S\$3.5 million on property and equipment leases (31 December 2022: S\$2.2 million). The decrease in lease liabilities was attributable to the payments made during the year.

Contract liabilities, current and non-current

Contract liabilities represent revenue received in advance for services revenues to be rendered under the various performance obligations identified in the cord blood, cord lining, cord tissue banking and diagnostics contracts. As at 31 December 2023, current and non-current contract liabilities were at S\$8.8 million and S\$64.4 million respectively (31 December 2022: S\$9.0 million and S\$67.3 million respectively). The decrease in overall contract liabilities is partly due to the termination of contract for clients who have signed up but not yet delivered in Singapore as a result of the Suspension.

Income tax payable

The Group recorded income tax payable of S\$0.5 million as at 31 December 2023 (31 December 2022: S\$0.7 million).

Deferred tax liabilities

As at 31 December 2023, deferred tax liabilities amounted to S\$3.7 million (31 December 2022: S\$4.0 million), comprising deferred tax liabilities on temporary differences and on intangible assets recognised on business combination.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable as no forecast or prospect statement was previously disclosed to shareholders.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

While the global economic situation has been challenging, industry-level growth factors remain intact. There is an increased awareness for preventive and precautionary care over curative treatment among the youth. In order to capture this potential demand, the Group has been focused on expanding its product offerings regionally. Moreover, there continues to be more research and development initiatives and a rising number of clinical trials directed towards understanding the magnitude of the potential of stem cells to treat incurable, widespread diseases like cancer. The Group will continue to proactively work on developing an ecosystem with doctors and hospitals in the various markets to educate and encourage the utilization of stem cells for various healthcare treatments.

On 15 December 2023, the Company received a notice from Ministry of Health (“MOH”) directing the Company to stop, for a period up to six months, the collection, testing, processing and/or storage of any new cord blood and human tissues, or the provision of any new types of tests to clients in Singapore with effect on and from 15 December 2023 (the “Suspension”). As announced by the Company on 30 November 2023, the Suspension is in connection with the MOH’s detection that certain cryogenic storage tanks based in Singapore had been exposed to temperatures outside of their normal temperature range, and investigations by the MOH are ongoing. There is no certainty on the outcome of the ongoing investigations. This, along with the fixed costs being incurred during the Suspension, is expected to continue to have a negative financial impact in Singapore, which had in past years been the largest contributor to the revenue of the Group. The Company continues to cooperate fully with all relevant regulatory authorities to address the matter at hand.

Further, as previously announced by the Company, since the end of December 2023, the Company has also started sending donated cord blood samples from certain tanks under investigation to a third-party laboratory in Singapore licensed by MOH for testing in batches. Due to the uncertainty of the outcome of the ongoing testing which is estimated to be ready only in end-March 2024, the Company is at present unable to assess the exact financial impact of the temperature excursions and/or the investigations on the Company for the financial year ending 31 December 2024. However, if the results of the testing confirm that any of the affected tanks are adversely affected by the temperature excursions, such results may have a further adverse impact on the financial results of the Group for the financial year ending 31 December 2024.

The team will continue to work closely with the MOH to investigate and address the identified lapses related to the Singapore operations. The Group is committed towards working through this matter and making rectifications to improve our processes going forward.

The Group would like to emphasise that the Suspension and ongoing investigations are isolated to the Group’s operations in Singapore and do not impact the operations of the subsidiaries located outside Singapore. The entities in the other markets outside of Singapore operate independently, with their own dedicated team, and adhere to their respective local laws and regulations.

## **11 Dividends**

### **(a) *Current financial period reported on***

Any interim (final) ordinary dividend declared (recommended) for the current financial period reported on?

No.

### **(b) *Corresponding period of the immediately preceding financial year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

### **(c) *The date the dividend is payable***

Not applicable

### **(d) *Record date***

Not applicable.

## **12 If no dividend has been declared (recommended), a statement to that effect and provide the reasons for the decision not to declare/recommend any dividend**

Amidst the uncertainty on when the Suspension will be lifted, or of the outcome of the ongoing investigations, the Directors did not declare or recommend dividends for FY2023. The Directors will review the dividend payout in the following half-years after taking into consideration the Company's performance and business plans.

## **13 Interested person transactions**

The Company has not obtained a general mandate from shareholders for interested person transactions.

There were no interested person transactions of S\$100,000 or more for the financial year reported on.

## **14 Disclosure on the use of placement proceeds**

Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the announcements on Private Placement Of An Aggregate Of Up To 26,838,000 New Ordinary Shares In The Capital Of The Company dated 2 October 2013, 11 October 2013 and 14 October 2013.

The Company issued 26,838,000 Placement Shares at an issue price of S\$1.25 per Placement Share by way of private placement (the "Private Placement") to raise aggregate gross proceeds of S\$33,547,500 on 14 October 2013.

As at 29 February 2024, the Group has utilised approximately S\$27.2 million out of S\$33.5 million of the Private Placement proceeds as follows:

Intended Use of Placement Proceeds	Estimated amount (\$ m)	Estimated percentage of gross proceeds raised from the Private Placement	Amount utilised (\$ m)	Percentage of gross proceeds raised from the Private Placement
Further, fund and support the Group's operations in connection with its enlarged geographical footprint developed after the Company's initial public offering, including funding of additional strategic investments, joint ventures, acquisitions and/or strategic alliances as and when opportunities materialise and are deemed appropriate by the Board	23.5	70.1%	17.2	51.2%
General working capital	8.6	25.7%	9.4	28.0%
Expenses incurred in connection with the Private Placement	1.4	4.2%	0.6	1.8%
	33.5	100.0%	27.2	81.0%

Note:

The numbers in the table above may not exactly add up due to rounding.

The breakdown of the total use of proceeds by the Group for general working capital purposes is as follows:

	Amount (\$ million)
<b>Amount utilised as working capital:</b>	
Trade purchases	9.3
Legal and professional fees	0.1
<b>Total</b>	<b>9.4</b>

The Board is of the view that the above utilisation is in accordance with the intended use disclosed in the aforementioned announcement dated 2 October 2013.

The Board is also pleased to announce that due to the Company's prudent management of financial resources and negotiations with vendors, there is a balance of approximately S\$0.8 million from the approximately S\$1.4 million which was originally allocated to pay for expenses incurred in connection with the Private Placement. The Board, after deliberation, deemed it in the best interests of the Company and its shareholders to re-deploy the said balance amount for general working capital purposes.

The Company will make further announcements via SGXNET as and when the balance of the Private Placement proceeds are materially disbursed in accordance with Rule 704(30) of the Listing Manual of the SGX-ST.

**15 Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

**16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 8.

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

The following exempt (one-tier) dividends were declared and paid by the Group and Company.

	<b>Group and Company</b>	
	<b>FY2023</b>	<b>FY2022</b>
	<b>S\$</b>	<b>S\$</b>
<b>Paid by the Company to owners of the Company</b>		
Dividends on ordinary shares:-		
Final tax exempt (one-tier) dividend for 31 December 2021:		
0.9 cents per share	—	<u>2,303,797</u>

**18. Persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make the appropriate negative statement**

The Group Chief Executive Officer of the Company, Mr Ivan Yiu Pang Fai is a brother of Mr Yiu Ming Yiu, a non-independent and non-executive director of the Company and the son of Mr Yiu Chi Shing and Madam Lui Yim Sheung, who are deemed interested in the shares of the Company held by TransGlobal Real Estate Group Limited, a controlling shareholder of the Company. Save as disclosed, the Company confirms that no other person occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

**By Order of the Board**

Ivan Yiu Pang Fai  
Group CEO  
29 February 2024