

PRESS RELEASE

Cordlife's FY2019 net profit grows more than four times to S\$6.5 million with higher net profit margin of 10.5%

- Gross profit margin and net profit margin were higher at 64.5% and 10.5% respectively, on the back of marginally higher revenue of S\$61.6 million.
- Net cash position improved to S\$49.7 million, mainly driven by net operating cash flows of S\$11.6 million.
- Proposed final dividend of 1 cent per share, equivalent to a payout ratio of 39.2% of net profit after tax for FY2019
- The Group remains committed to pursuing new business initiatives and expansion opportunities.

Singapore, 28 February 2020 – Cordlife Group Limited (“Cordlife” and together with its subsidiaries, the “Group”), announced today its financial results for the financial year ended 31 December 2019 (“FY2019”).

Financial Highlights

| S\$'000 | FY2019 | FY2018 | Change (%) |
|-------------------------|---------|---------|------------|
| Revenue | 61,579 | 61,392 | 0.3 |
| Gross profit | 39,690 | 38,341 | 3.5 |
| Profit before tax | 8,125 | 3,469 | 134.2 |
| Income tax expense | (1,663) | (1,970) | (15.6) |
| Net profit | 6,462 | 1,499 | 331.1 |
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| Gross profit margin (%) | 64.5 | 62.5 | 2.0pp |
| Net profit margin (%) | 10.5 | 2.4 | 8.1pp |

The Group's core performance remained relatively stable with total new samples stored of 26,700 for both FY2018 and FY2019. The Group's revenue increased marginally to S\$61.6 million due to higher revenue contribution from Singapore as more clients opted for higher-priced plans as well as increased revenue contribution from diagnostic services. This is offset by lower revenue contribution from India due to higher take-up of lower-priced plans.

Net profit after tax grew 331.1% year-on-year (“yoy”) to S\$6.5 million, mainly driven by: (a) higher gross profit (b) lower administrative expenses (due to lower staff costs in relation to improved efficiencies, decrease in impairment loss on receivables and foreign exchange gain) as well as (c) higher finance income.

Net cash flow from operations remained strong at S\$11.6 million, bringing the Group's net cash position to S\$49.7 million as at 31 December 2019.

Commenting on the Group's results, Ms Tan Poh Lan, Chief Executive Officer of Cordlife, commented, **“We are pleased to continue to perform well amidst a more competitive industry landscape and uncertain macroeconomic outlook. Our efforts in streamlining our business operations as well as increasing the penetration rate in our markets during the year are yielding positive results. Moving ahead, we will stay committed to pursue new business initiatives and expansion opportunities to further enhance profitability and deliver greater values to our stakeholders.”**

The Board has recommended a final one-tier tax exempt dividend of 1 cent per share. This represents a dividend payout of 39.2% of the Group's FY2019 net profit after tax.

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About Cordlife Group Limited

Incorporated in 2001, Cordlife Group Limited (“Cordlife”, together with its subsidiaries, the “Group”) is a consumer healthcare group and one of the key providers of cord blood as well as cord lining banking services in Asia. Cordlife has been listed on the mainboard of Singapore Exchange (SGX: P8A) since March 2012.

Cordlife owns the largest network of cord blood banks in Asia with full stem cell banking facilities in six key markets namely Singapore, Hong Kong, Indonesia, India, Malaysia and the Philippines. In Singapore, the Philippines and Indonesia, Cordlife operates the largest private cord blood banks; and is amongst the top three market leaders in India and Malaysia. In January 2018, Cordlife became the market leader in Hong Kong with the acquisition of the largest private cord blood bank in the country, Healthbaby Biotech (Hong Kong) Co., Limited. Through its majorityowned subsidiary in Malaysia, Stemlife Berhad, Cordlife holds indirect stake in Thailand’s largest private cord blood bank, Thai Stemlife. Through its marketing agents, Cordlife also expanded its presence to Myanmar and Vietnam in 2017 as well as Bangladesh in 2019.

Beyond cord blood and cord lining banking, Cordlife offers a comprehensive suite of diagnostics services for the family including urine-based newborn metabolic screening, non-invasive prenatal testing, paediatric vision screening and family genetic screening services.

Quality and customer focus are amongst some of the cornerstones of Cordlife. The Group’s facilities in Singapore, Hong Kong, India, the Philippines and Malaysia are accredited by AABB, the organisation behind the world’s gold standard for cord blood banking. In addition, Cordlife Singapore and Healthbaby are accredited by FACT, another world-class accreditation body for cord blood banks globally. This makes Cordlife Singapore and Healthbaby, two of just four cord blood banks in Asia, and seven in the world, to be accredited by both AABB and FACT concurrently. In the area of clinical diagnostics, Cordlife India, Healthbaby and Hong Kong Screening Centre are accredited by the College of American Pathologists (“CAP”). These quality achievements underpin the Group’s commitment to providing reliable healthcare solutions through innovation and technological advancement.

For more information, please visit <http://cordlife.listedcompany.com>

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