

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

Directors:

Dr. Ho Choon Hou (*Acting Chairman and Independent Director*)
Ms. Tan Poh Lan (*Executive Director and Group Chief Executive Officer*)
Mr. Joseph Wong Wai Leung (*Independent Director*)
Mr. Yeo Hwee Tiong (*Independent Director*)
Mr. Fong Chi Wah (*Non-Independent Non-Executive Director*)
Ms. Wang Lin (*Non-Independent Non-Executive Director*)
Mr. Chang Chien (*Non-Independent Non-Executive Director*)
Mr. Zhai Lingyun (*Non-Independent Non-Executive Director*)

Registered Office:

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#06-01/09
A'Posh Bizhub
Singapore 768160

15 April 2021

To: The Shareholders of Cordlife Group Limited

Dear Sir / Madam

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

- 1.1 AGM.** We refer to (a) the notice of AGM of the Company dated 15 April 2021 (the "**Notice of AGM**") convening an AGM to be held on 30 April 2021 and (b) the Ordinary Resolution Number 10 under the heading "Special Business" set out in the Notice of AGM.
- 1.2 Letter to Shareholders (the "Letter").** The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate to be tabled at the AGM.
- 1.3 SGX-ST.** The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.
- 1.4 Advice to Shareholders.** If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisor immediately.
- 1.5 Legal Adviser.** WongPartnership LLP is the Singapore legal advisor to the Company for this Letter.
- 1.6** Unless otherwise defined, all capitalised terms herein shall bear the definitions set out in the Schedule to this Letter.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Introduction

Any purchase or acquisition of Shares by the Company has to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Rules and such other laws and regulations as may, for the time being, be applicable. The Company is also required to obtain the approval of its Shareholders at a general meeting of its Shareholders if it wishes to purchase or acquire its own Shares.

At the annual general meeting held on 12 June 2020 ("**2020 AGM**"), the Shareholders had approved the renewal of the mandate to enable the Company to purchase or otherwise acquire its Shares (the "**2020 Share Purchase Mandate**"). The rationale for, the authority and limitations on, and the financial effects of the 2020 Share Purchase Mandate were set out in the Company's letter to shareholders dated 21 May 2020. The authority conferred pursuant to the 2020 Share Purchase Mandate may be exercised by the Directors at any time during the period commencing from the date of the 2020 AGM and expiring on the date when the next AGM of the Company is held, being 30 April 2021.

Accordingly, the Directors seek the approval of the Shareholders for the renewal of the Share Purchase Mandate at the upcoming AGM.

2.2 Rationale for the Proposed Renewal of the Share Purchase Mandate

The Share Purchase Mandate, if renewed, will give the Company the flexibility to undertake Share Purchases at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share Purchases provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The Directors believe that Share Purchases by the Company will also help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence. In addition, Share Purchases will also allow management to effectively manage and minimise the dilution impact (if any) on existing Shareholders associated with any issuance of Shares.

It should be noted that Share Purchases will only be undertaken if such Share Purchases can benefit the Company and Shareholders. If and when circumstances permit, the Directors will decide whether to effect such Share Purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

2.3 Authority and Limitations of the Share Purchase Mandate

The authority and limitations placed on Share Purchases, if the Share Purchase Mandate is renewed at the AGM, are similar in terms to those previously approved by Shareholders at the 2020 AGM, which for the benefit of Shareholders, are summarised below.

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 5% of the total number of issued Shares as at the date of the AGM at which the renewal of the Share Purchase Mandate is approved, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company, as altered. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purpose of computing the 5% limit. As at the Latest Practicable Date, the Company has 12,942,610 Shares held as treasury shares and no subsidiary holdings.

For illustrative purposes only, on the basis of 254,582,744 Shares in issue as at the Latest Practicable Date (excluding the 12,942,610 Shares held as treasury shares) and assuming that the Company does not have any subsidiary holdings and no further Shares are issued or held in treasury on or prior to the AGM, and that the Company does not reduce its share capital, then not more than 12,729,137 Shares (representing approximately 5% of the total number of issued Shares, excluding the Shares held as treasury shares and subsidiary holdings, as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate during the duration referred to in paragraph 2.3(b) below.

While the Share Purchase Mandate would authorise Share Purchases up to the 5% limit, Shareholders should note that Share Purchases may not be carried out up to the full 5% limit as authorised, or at all. In particular, no Share Purchase would be made in circumstances which would have or may have a material adverse effect on the financial condition of the Group as a whole.

(b) **Duration of Authority**

Share Purchases may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (i) the date on which the next AGM of the Company is held or required by law to be held;
- (ii) the date on which Share Purchases are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting.

The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at the next AGM or at an extraordinary general meeting of the Company to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the Share Purchase Mandate, the Company is required to disclose details pertaining to Share Purchases made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases.

(c) ***Manner of Purchase or Acquisition of Shares***

Share Purchases may be made on the SGX-ST ("**Market Purchases**") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme ("**Off-Market Purchases**").

Market Purchases refer to Share Purchases effected through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to Share Purchases made under an equal access scheme or schemes for the purchase or acquisition of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) the offers under the scheme shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
 - (A) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
 - (B) (if applicable) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, pursuant to the Listing Rules, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;

- (3) the reasons for the proposed Share Purchases;
- (4) the consequences of the proposed Share Purchases, if any, that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the Share Purchases, if made, could affect the listing of the Shares on the SGX-ST;
- (6) details of any Share Purchases in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) **Maximum Purchase Price**

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses ("**related expenses**")) to be paid for a Share will be determined by the Directors. However, the purchase price must not exceed (in the case of both a Market Purchase and an Off-Market Purchase pursuant to an equal access scheme) 105% of the Average Closing Market Price of the Shares (the "**Maximum Price**"), in either case, excluding related expenses of the Share Purchase.

For the above purposes:

"Average Closing Market Price" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the Market Purchase was made; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased or Acquired Shares

Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation), unless such Share is held by the Company as a treasury share. All Shares (excluding Shares held by the Company as treasury shares) purchased or acquired by the Company will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition. Accordingly, the total number of issued

Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. At the time of each Share Purchase, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

(a) **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation as the case may be.

(c) **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Companies Act permits the Company to purchase or acquire its Shares out of capital, as well as from its distributable profits so long as the Company is solvent.

The Company intends to use internal sources of funds, or a combination of internal sources of funds and external borrowings, to finance Share Purchases. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital of the Company and the Group would be materially adversely affected.

2.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of future Share Purchases on the net asset value and EPS as the resultant effect would depend on, *inter alia*, whether the purchase or acquisition is made out of capital or profits, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Pursuant to the Companies Act, Share Purchases may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the Share Purchase is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchase is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Purchase Mandate to such extent as to materially affect the working capital requirements or the gearing of the Company. Any Share Purchase will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2020, are based on the assumptions set out below:

- (a) based on 254,582,744 Shares in issue as at the Latest Practicable Date (excluding the 12,942,610 Shares held as treasury shares) and assuming that the Company does not have any subsidiary holdings and no further Shares are issued or held in treasury and no reduction of share capital of the Company takes place on or prior to the AGM, not more than 12,729,137 Shares (representing approximately 5% of the total number of issued Shares (excluding the 12,942,610 Shares held as treasury

shares and subsidiary holdings as at that date)) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 12,729,137 Shares at the Maximum Price of S\$0.393 for one (1) Share (being the price equivalent to 5% above the Average Closing Market Price of the Shares for the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 12,729,137 Shares (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) is approximately S\$5,003,000; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 12,729,137 Shares at the Maximum Price of S\$0.393 for one (1) Share (being the price equivalent to 5% above the Average Closing Market Price of the Shares for the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 12,729,137 Shares (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) is approximately S\$5,003,000.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a) to (c) above and assuming that (i) the Share Purchase is financed by internal sources of funds available as at 31 December 2020; (ii) the Share Purchase Mandate had been effective on 1 January 2020; and (iii) the Company had purchased or acquired the 12,729,137 Shares (representing approximately 5% of the total number of issued Shares of the Company (excluding the 12,942,610 Shares held as treasury shares) as at the Latest Practicable Date) on 1 January 2020 (for the purposes of computing the effect of the Share Purchases on the EPS) and 31 December 2020 (for all other cases), the financial effects of the purchase or acquisition of the 12,729,137 Shares by the Company pursuant to the Share Purchase Mandate:

- (A) by way of purchases made entirely out of capital and held as treasury shares; and
- (B) by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Company and the Group for the financial year ended 31 December 2020 are set out below:

(1) Purchases of 12,729,137 Shares made entirely out of capital and 12,729,137 Shares held as treasury shares

(A) Market Purchases

	<u>Group Before Share Purchase</u>	<u>Group After Share Purchase</u>	<u>Company Before Share Purchase</u>	<u>Company After Share Purchase</u>
As at 31 December 2020				
Profit after income tax attributable to Shareholders (S\$'000)	6,547	6,547	3,519	3,519
Share capital (S\$'000)	95,646	95,646	95,646	95,646
Other reserves (S\$'000)	(14,047)	(14,047)	959	959
Accumulated profits (S\$'000)	59,023	59,023	28,113	28,113
	147,169	147,169	128,237	128,237
Treasury shares (S\$'000)	(14,073)	(19,076)	(14,073)	(19,076)
Shareholders' funds (S\$'000)	133,096	128,093	114,164	109,161
NTA (S\$'000)	101,250	96,247	113,548	108,545
Non-controlling interests (S\$'000)	126	126	—	—
Current assets (S\$'000)	103,888	98,885	49,293	44,290
Current liabilities (S\$'000)	26,404	26,404	19,095	19,095
Total borrowings (S\$'000)	3,988	3,988	3,988	3,988
Number of issued Shares ('000)	254,583	241,854	254,583	241,854
Number of treasury shares ('000)	12,943	25,672	12,943	25,672
Weighted number of ordinary shares ('000)	254,311	241,582	254,311	241,582
<u>Financial ratios</u>				
NTA/Share (cents)	39.77	39.80	44.60	44.88
Gearing ratio	3.00%	3.11%	3.49%	3.65%
Current ratio (times)	3.93	3.75	2.58	2.32
EPS (cents)	2.57	2.71	1.38	1.46

(B) Off-Market Purchases

	<u>Group Before Share Purchase</u>	<u>Group After Share Purchase</u>	<u>Company Before Share Purchase</u>	<u>Company After Share Purchase</u>
As at 31 December 2020				
Profit after income tax attributable to Shareholders (S\$'000)	6,547	6,547	3,519	3,519
Share capital (S\$'000)	95,646	95,646	95,646	95,646
Other reserves (S\$'000)	(14,047)	(14,047)	959	959
Accumulated profits (S\$'000)	59,023	59,023	28,113	28,113
	147,169	147,169	128,237	128,237
Treasury shares (S\$'000)	(14,073)	(19,076)	(14,073)	(19,076)
Shareholders' funds (S\$'000)	133,096	128,093	114,164	109,161
NTA (S\$'000)	101,250	96,247	113,548	108,545
Non-controlling interests (S\$'000)	126	126	—	—
Current assets (S\$'000)	103,888	98,885	49,293	44,290
Current liabilities (S\$'000)	26,404	26,404	19,095	19,095
Total borrowings (S\$'000)	3,988	3,988	3,988	3,988
Number of issued Shares ('000)	254,583	241,854	254,583	241,854
Number of treasury shares ('000)	12,943	25,672	12,943	25,672
Weighted number of ordinary shares ('000)	254,311	241,582	254,311	241,582
Financial ratios				
NTA/Share (cents)	39.77	39.80	44.60	44.88
Gearing ratio	3.00%	3.11%	3.49%	3.65%
Current ratio (times)	3.93	3.75	2.58	2.32
EPS (cents)	2.57	2.71	1.38	1.46

(2) Purchases of 12,729,137 Shares made entirely out of capital and 12,729,137 Shares cancelled

(A) Market Purchases

	<u>Group Before Share Purchase</u>	<u>Group After Share Purchase</u>	<u>Company Before Share Purchase</u>	<u>Company After Share Purchase</u>
As at 31 December 2020				
Profit after income tax attributable to Shareholders (S\$'000)	6,547	6,547	3,519	3,519
Share capital (S\$'000)	95,646	90,643	95,646	90,643
Other reserves (S\$'000)	(14,047)	(14,047)	959	959
Accumulated profits (S\$'000)	59,023	59,023	28,113	28,113
	147,169	142,166	128,237	123,234
Treasury shares (S\$'000)	(14,073)	(14,073)	(14,073)	(14,073)
Shareholders' funds (S\$'000)	133,096	128,093	114,164	109,161
NTA (S\$'000)	101,250	96,247	113,548	108,545
Non-controlling interests (S\$'000)	126	126	—	—
Current assets (S\$'000)	103,888	98,885	49,293	44,290
Current liabilities (S\$'000)	26,404	26,404	19,095	19,095
Total borrowings (S\$'000)	3,988	3,988	3,988	3,988
Number of issued Shares ('000)	254,583	241,854	254,583	241,854
Number of treasury shares ('000)	12,943	12,943	12,943	12,943
Weighted number of ordinary shares ('000)	254,311	241,582	254,311	241,582
<u>Financial ratios</u>				
NTA/Share (cents)	39.77	39.80	44.60	44.88
Gearing ratio	3.00%	3.11%	3.49%	3.65%
Current ratio (times)	3.93	3.75	2.58	2.32
EPS (cents)	2.57	2.71	1.38	1.46

(B) Off-Market Purchases

	<u>Group Before Share Purchase</u>	<u>Group After Share Purchase</u>	<u>Company Before Share Purchase</u>	<u>Company After Share Purchase</u>
As at 31 December 2020				
Profit after income tax attributable to Shareholders (S\$'000)	6,547	6,547	3,519	3,519
Share capital (S\$'000)	95,646	90,643	95,646	90,643
Other reserves (S\$'000)	(14,047)	(14,047)	959	959
Accumulated profits (S\$'000)	59,023	59,023	28,113	28,113
	147,169	142,166	128,237	123,234
Treasury shares (S\$'000)	(14,073)	(14,073)	(14,073)	(14,073)
Shareholders' funds (S\$'000)	133,096	128,093	114,164	109,161
NTA (S\$'000)	101,250	96,247	113,548	108,545
Non-controlling interests (S\$'000)	126	126	—	—
Current assets (S\$'000)	103,888	98,885	49,293	44,290
Current liabilities (S\$'000)	26,404	26,404	19,095	19,095
Total borrowings (S\$'000)	3,988	3,988	3,988	3,988
Number of issued Shares ('000)	254,583	241,854	254,583	241,854
Number of treasury shares ('000)	12,943	12,943	12,943	12,943
Weighted number of ordinary shares ('000)	254,311	241,582	254,311	241,582
Financial ratios				
NTA/Share (cents)	39.77	39.80	44.60	44.88
Gearing ratio	3.00%	3.11%	3.49%	3.65%
Current ratio (times)	3.93	3.75	2.58	2.32
EPS (cents)	2.57	2.71	1.38	1.46

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 5% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the total number of issued Shares. In addition, the Company may cancel all or part of the Shares purchased or acquired or hold all or part of the Shares purchased in treasury. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

2.8 Listing Status of the Shares

Rule 723 of the Listing Rules requires a listed company to ensure that at least 10% of any class of its listed securities (excluding Shares held as treasury shares) is held by public shareholders. The "public", as defined in the Listing Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are 85,198,357 Shares in the hands of the public, representing approximately 33.47% of the total number of issued Shares (excluding the 12,942,610 Shares held as treasury shares). Assuming that the Company purchases or acquires its Shares through Market Purchases up to the full 5% limit pursuant to the Share Purchase Mandate from the public, the number of Shares in the hands of the public would be reduced to 72,469,220 Shares, representing approximately 29.96% of the reduced total number of issued Shares of the Company comprising 241,853,607 Shares (excluding the 25,671,747 Shares held as treasury shares).

In undertaking any Share Purchase through a Market Purchase, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the Share Purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.9 Listing Rules

Under the Listing Rules, a listed company may purchase or acquire shares by way of Market Purchases at a price per share which is not more than 5% above the "average closing market price", being the average of the closing market prices of a share over the last five (5) Market Days on which transactions in the shares were recorded, preceding the day on which the purchases or acquisitions were made (which is deemed to be adjusted for any corporate action that occurs during such five (5)-Market Day period and the day on which the purchases are made). The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in paragraph 2.3(d) above, conforms to this restriction. Although the Listing Rules do not prescribe a maximum price in relation to purchases or acquisitions of shares by way of off-market purchases, the Company has set a cap of 5% above the average closing market price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Rules do not expressly prohibit the purchase or acquisition of shares by a listed company during any particular time or times, as such listed company would be considered an "insider" in relation to any purchase or acquisition of the Shares, the Company will not purchase or acquire any Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of one (1) month immediately preceding the announcement of the Company's financial statements for the half year and full financial year.

2.10 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve Share Purchases, the Company shall lodge a copy of such resolution with the Registrar of Companies.

The Company shall notify the Registrar of Companies within 30 days of a Share Purchase on the SGX-ST or otherwise. Such notification shall include details of the Share Purchase such as the date of the Share Purchase, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the Share Purchase, the Company's issued share capital after the Share Purchase, the amount of consideration paid by the Company for the Share Purchase, whether the Shares were purchased or acquired out of profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

The Listing Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.11 Details of Previous Share Purchases

The Company did not make any purchases or acquisitions of Shares pursuant to the 2020 Share Purchase Mandate in the 12 month period preceding the Latest Practicable Date.

2.12 Take-over Implications

Appendix 2 to the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

Obligation to Make a Take-over Offer

Any resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any Share Purchase by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, depending on the number of Shares purchased or acquired by the Company and the number of Shares (excluding treasury shares and subsidiary holdings) in issue at that time, a Shareholder or group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make a take-over offer under Rule 14.

Persons Acting in concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts). Close relatives include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunts) as well as their children (i.e. cousins) and children of siblings (i.e. nephews and nieces).

The circumstances under which Shareholders, including any Directors and other persons acting in concert with them, will incur an obligation to make a take-over offer under Rule 14 as

a result of a Share Purchase by the Company are set out in full in Appendix 2 of the Take-over Code.

Effect of Rule 14 and Appendix 2 of the Take-over Code

The effect of Rule 14 when read with Appendix 2 of the Take-over Code is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if as a result of the Share Purchase by the Company:

- (a) the voting rights of such Directors and their concert parties increase to 30% or more; or
- (b) in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than 1% in any period of six (6) months.

In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

However, under Appendix 2 of the Take-over Code, a Shareholder will not be required to make a take-over offer under Rule 14 if:

- (i) he is not acting in concert with the Directors; and
- (ii) as a result of a Share Purchase by the Company:
 - (1) the voting rights of such Shareholder increases to 30% or more; or
 - (2) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder increases by more than 1% in any period of six (6) months.

Accordingly, such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Notwithstanding the above, Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory offer under the Take-over Code as a result of any Share Purchase by the Company should consult the Securities Industry Council ("SIC") and/or their professional advisors at the earliest opportunity.

The Relevant Directors and Concert Parties

- (a) As at the Latest Practicable Date, in respect of the following Directors:
 - (i) Ms. Wang Lin (Non-Independent Non-Executive Director); and
 - (ii) Mr. Zhai Lingyun (Non-Independent Non-Executive Director),

(collectively referred hereinafter as the "**Relevant Directors**"), the following persons who are Shareholders or deemed to have an interest in Shares are deemed to be acting in concert with the Relevant Directors under the Take-over Code:

- (A) China Stem Cells (East) Company Limited;
- (B) China Stem Cells Holdings Limited;

- (C) China Cord Blood Services Corporation;
- (D) Global Cord Blood Corporation;
- (E) Blue Ocean Structure Investment Company Ltd (BVI);
- (F) Blue Ocean Creation Investment Hong Kong Limited;
- (G) Shanghai Blue Ocean Ke Rui Financial Information Service Partnership;
- (H) Nanjing Ying Peng Asset Management Limited;
- (I) Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership);
- (J) Sanpower Group Nanjing Investment Management Limited;
- (K) Nanjing Xinjiekou Department Store Co., Ltd.;
- (L) Sanpower Group Corporation; and
- (M) Yuan Yafei,

(who, collectively with the Relevant Directors, shall be referred hereinafter as the "**Relevant Parties**").

- (b) As at the Latest Practicable Date, the Relevant Parties have an aggregate interest (both deemed and direct) in 77,386,666 Shares representing approximately 30.40% in the total voting rights of the Company.

Further details of the Relevant Parties' direct and deemed interests in the shareholding of the Company and their voting rights as at the Latest Practicable Date are set out in paragraph 3.3 of this Letter.

- (c) As set out in paragraph 3.3 of this Letter, the aggregate total interest of the Relevant Parties would increase to approximately 32.00% as a result of the Share Purchases, assuming that:
 - (1) the Company purchases the maximum amount of 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Purchase Mandate;
 - (2) there is no change in the number of Shares held by the Relevant Parties or which they are deemed interested in as at the Latest Practicable Date and as at the date of the AGM; and
 - (3) there is no change in the number of Shares held by the Relevant Parties or which they are deemed interested in as at the date of the AGM and the date of the full exercise of the Share Purchase Mandate.

As a consequence, the Relevant Directors and other members of the Relevant Parties may be required to make a general offer to the other Shareholders under Rule 14.

Conditions for Exemption from having to make a Take-over Offer

Pursuant to Section 3(a) of Appendix 2 to the Take-over Code, the Relevant Directors and their concert parties will be exempted from the requirement to make a general offer for the Company under Rule 14, when read with Appendix 2 to the Take-over Code, following an increase in the aggregate percentage of total voting rights in the Company held by the Relevant Directors and their concert parties by more than 1% in any six (6)-month period as a result of Share Purchases, subject to the following conditions:

- (a) the Letter to Shareholders on the resolution to approve the renewal of the Share Purchase Mandate contains advice to the effect that by voting for the resolution to approve the renewal of the Share Purchase Mandate (the "**Buyback Resolution**"), Shareholders are waiving their right to a general offer at the required price from any of the Relevant Directors and their concert parties, who as a result of the Share Purchases, would increase their voting rights by more than 1% in any period of six (6) months; and the names of each of the Relevant Directors and their concert parties and their voting rights at the time of the Buyback Resolution and after the Share Purchases are disclosed in the same Letter;
- (b) the Buyback Resolution is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer for the Company as a result of the Share Purchases;
- (c) the Relevant Directors and their concert parties abstain from voting for and/or recommending Shareholders to vote in favour of the Buyback Resolution;
- (d) within seven (7) days after passing of the Buyback Resolution, each of the Relevant Directors is to submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the Relevant Directors and their concert parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Purchase Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Purchase Mandate expires; and
 - (ii) the date on which the Company announces that it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those Shares purchased by the Company under the Share Purchase Mandate, would cause the aggregate voting rights in the Company of the Relevant Directors and their concert parties to increase by more than 1% in the preceding six (6) months.

It follows that where the aggregate voting rights held by the Relevant Directors and their concert parties increase by more than 1% solely as a result of the Share Purchases and none of them has acquired any Shares during the relevant period defined above, then the Relevant Directors and/or their concert parties would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption has been granted, would continue to enjoy the exemption.

If the Company ceases to buy back its Shares pursuant to the Share Purchase Mandate and the increase in the aggregate voting rights held by the Relevant Directors and their concert parties as a result of the Company buying back its Shares at the time of such cessation is less

than 1%, the Relevant Directors and their concert parties may acquire further voting rights in the Company.

However, any increase in the percentage of voting rights of the Relevant Directors and their concert parties as a result of the Share Purchases will be taken into account together with any voting rights acquired by the Relevant Directors and their concert parties (by whatever means) in determining whether the Relevant Directors and their concert parties have increased their aggregate voting rights in the Company by more than 1% in any period of six (6) months.

Shareholders are advised that by voting in favour of the Share Purchase Mandate, they are waiving their rights to a take-over offer by the Relevant Directors and their concert parties in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by SIC, would have to be made in cash or be accompanied by a cash alternative at the higher of (A) the highest price (excluding related expenses) paid by the Relevant Directors and their concert parties for any Share in the preceding six (6) months or (B) the highest price paid by the Company for any Share in the preceding six (6) months.

Form 2 submission to the SIC

With regards to Condition (d) of the "Conditions for Exemption from having to make a Take-over Offer" above, Form 2 (Submission by directors and their concert parties pursuant to Appendix 2 of the Take-over Code) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption from the requirement to make a take-over offer under Rule 14 as a result of the buyback of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, the Relevant Directors have informed the Company that they will respectively be submitting a Form 2 to the SIC within seven (7) days after the passing of Ordinary Resolution Number 10 relating to the proposed renewal of the Share Purchase Mandate at the AGM.

3. DIRECTORS', SUBSTANTIAL SHAREHOLDERS' AND RELEVANT PARTIES' INTERESTS

3.1 Interests of Directors. The interests of the Directors in the Shares, based on information as recorded in the Register of Directors' Shareholdings of the Company, as at the Latest Practicable Date are as follows:

<u>Directors</u>	<u>Direct</u>		<u>Deemed</u>	
	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>
Dr. Ho Choon Hou	792,061	0.31	—	—
Ms. Tan Poh Lan	534,480	0.21	—	—
Mr. Joseph Wong Wai Leung	—	—	—	—
Mr. Yeo Hwee Tiong	—	—	—	—
Mr. Fong Chi Wah	—	—	—	—
Ms. Wang Lin	—	—	—	—
Mr. Chang Chien	—	—	—	—
Mr. Zhai Lingyun	—	—	—	—

Note:

(1) As a percentage of the issued share capital of the Company (excluding the 12,942,610 Shares held as treasury shares), comprising 254,582,744 Shares as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.

3.2 Interests of Substantial Shareholders. The interests of the Substantial Shareholders of the Company in the Shares, based on information as recorded in the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date are as follows:

<u>Substantial Shareholders</u>	<u>Direct</u>		<u>Deemed</u>	
	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>	<u>Number of Shares</u>	<u>% of total issued Shares⁽¹⁾</u>
China Stem Cells (East) Company Limited	25,516,666	10.02	—	—
China Stem Cells Holdings Limited	—	—	25,516,666 ⁽²⁾	10.02
China Cord Blood Services Corporation	—	—	25,516,666 ⁽³⁾	10.02
Global Cord Blood Corporation	—	—	25,516,666 ⁽⁴⁾	10.02
Blue Ocean Structure Investment Company Ltd (BVI)	—	—	25,516,666 ⁽⁵⁾	10.02
Blue Ocean Creation Investment Hong Kong Limited	—	—	25,516,666 ⁽⁶⁾	10.02

Substantial Shareholders	Direct		Deemed	
	Number of Shares	% of total issued Shares⁽¹⁾	Number of Shares	% of total issued Shares⁽¹⁾
Shanghai Blue Ocean Ke Rui Financial Information Service Partnership	—	—	25,516,666 ⁽⁷⁾	10.02
Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership)	—	—	25,516,666 ⁽⁸⁾	10.02
Nanjing Ying Peng Asset Management Limited	—	—	25,516,666 ⁽⁹⁾	10.02
Sanpower Group Nanjing Investment Management Limited	—	—	25,516,666 ⁽¹⁰⁾	10.02
Nanjing Xinjiekou Department Store Co., Ltd.	51,870,000	20.37	—	—
Sanpower Group Corporation	—	—	77,386,666 ⁽¹¹⁾	30.40
Yuan Yafei	—	—	77,386,666 ⁽¹²⁾	30.40
Full Day Limited	41,460,300	16.29	—	—
Sincere View International Limited	30,000,000	11.78	—	—
Mr. Hon Kwok Lung	—	—	71,460,300 ⁽¹³⁾	28.07
Ms. Lam Suk Ying	—	—	71,460,300 ⁽¹⁴⁾	28.07
Robust Plan Limited	15,920,000	6.25	—	—
Shanghai Dunheng Capital Management Co., Ltd	—	—	15,920,000 ⁽¹⁵⁾	6.25
Jiaxing Huiling No. 3 Investment Partnership (Limited Partnership)	—	—	15,920,000 ⁽¹⁶⁾	6.25
Minsheng (Shanghai) Asset Management Co., Ltd.	—	—	15,920,000 ⁽¹⁷⁾	6.25
China Minsheng Investment Corp., Ltd	—	—	15,920,000 ⁽¹⁸⁾	6.25
Jiaxing Huiling Capital Management Co., Ltd	—	—	15,920,000 ⁽¹⁹⁾	6.25

Substantial Shareholders	Direct		Deemed	
	Number of Shares	% of total issued Shares⁽¹⁾	Number of Shares	% of total issued Shares⁽¹⁾
CMI Capital Co., Ltd	—	—	15,920,000 ⁽²⁰⁾	6.25
Vcanland Holding Group Company Limited	—	—	18,133,000 ⁽²¹⁾	7.12
Li Defu	—	—	18,133,000 ⁽²²⁾	7.12

Notes:

- (1) As a percentage of the issued share capital of the Company (excluding the 12,942,610 Shares held as treasury shares), comprising 254,582,744 Shares as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.
- (2) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, China Stem Cells Holdings Limited is the sole shareholder of China Stem Cells (East) Company Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (3) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, China Cord Blood Services Corporation is the sole shareholder of China Stem Cells Holdings Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (4) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, Global Cord Blood Corporation is the sole shareholder of China Cord Blood Services Corporation and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (5) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Blue Ocean Structure Investment Company Ltd (BVI) holds 65.40% of the issued and outstanding share capital of Global Cord Blood Corporation and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (6) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Blue Ocean Creation Investment Hong Kong Limited is the sole shareholder of Blue Ocean Structure Investment Company Ltd (BVI) and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (7) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Shanghai Blue Ocean Ke Rui Financial Information Service Partnership is the sole shareholder of Blue Ocean Creation Investment Hong Kong Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (8) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership) is the limited partner of Shanghai Blue Ocean Ke Rui Financial Information Service Partnership and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (9) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Nanjing Ying Peng Asset Management Limited is the general partner of Shanghai Blue Ocean Ke Rui Financial Information Service Partnership. Nanjing Ying Peng Asset Management Limited is also general partner of Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership). Nanjing Ying Peng Asset Management Limited is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.

- (10) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Sanpower Group Nanjing Investment Management Limited is the sole shareholder of Nanjing Ying Peng Asset Management Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (11) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Sanpower Group Corporation is the sole shareholder of Sanpower Group Nanjing Investment Management Limited and holds 27.32% equity interest in Nanjing Xinjiekou Department Store Co., Ltd.. Sanpower Group Corporation is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited and Nanjing Xinjiekou Department Store Co., Ltd. by virtue of Section 4 of the SFA.
- (12) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Yuan Yafei holds 97.5% equity interest in Sanpower Group Corporation and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited and Nanjing Xinjiekou Department Store Co., Ltd. by virtue of Section 4 of the SFA.
- (13) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 10 July 2019, Mr. Hon Kwok Lung is the sole shareholder of Full Day Limited and holds 80% equity interest in Sincere View International Limited. Ms. Lam Suk Ying, the spouse of Mr. Hon Kwok Lung, holds 20% equity interest in Sincere View International Limited. Mr. Hon Kwok Lung is therefore deemed to be interested in the Shares held by Full Day Limited and Sincere View International Limited by virtue of Section 4 of the SFA.
- (14) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 10 July 2019, Ms. Lam Suk Ying holds 20% equity interest in Sincere View International Limited. Mr. Hon Kwok Lung, the spouse of Ms. Lam Suk Ying, is the sole shareholder of Full Day Limited and holds 80% equity interest in Sincere View International Limited. Ms. Lam Suk Ying is therefore deemed to be interested in the Shares held by Full Day Limited and Sincere View International Limited by virtue of Section 4 of the SFA.
- (15) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Shanghai Dunheng Capital Management Co., Ltd ("**SDCMCL**") is the sole shareholder of Robust Plan Limited ("**RPL**") and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (16) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Jiaxing Huiling No. 3 Investment Partnership (Limited Partnership) ("**JX No.3**") is the sole shareholder of SDCMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (17) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Minsheng (Shanghai) Asset Management Co., Ltd. ("**MSAMCL**") holds 99.95% equity interest in JX No.3 and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (18) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, China Minsheng Investment Corp., Ltd ("**CMICL**") is the sole shareholder of MSAMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (19) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, Jiaxing Huiling Capital Management Co., Ltd ("**JHCMCL**") holds 0.05% equity interest in JX No.3 and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.
- (20) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 16 September 2015, CMI Capital Co., Ltd is the sole shareholder of JHCMCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.

- (21) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 24 December 2015, Vcanland Holding Group Company Limited ("VHGCL") is deemed interested in the Shares held by RPL pursuant to the sale and purchase agreement dated 23 December 2015 entered into with JX No.3 and Jiaying Huiling Investment Management Co., Ltd for the acquisition of all the shares in the capital of SDCMCL. The completion under the sale and purchase agreement is subject to the satisfaction of several conditions precedents.
- (22) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 24 December 2015, Li Defu is the shareholder of VHGCL and is therefore deemed to be interested in the Shares held by RPL by virtue of Section 4 of the SFA.

3.3 Interests of Relevant Parties as at Latest Practicable Date. The interests of the Relevant Parties in the Shares, based on information as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders of the Company, as at the Latest Practicable Date; and upon the Company purchasing the maximum amount of 5% of the total amount of Shares (excluding treasury shares and subsidiary holdings) in issue pursuant to the Share Purchase Mandate (assuming no change in the number of Shares held by the Relevant Parties or which they are deemed interested in as at the Latest Practicable Date) are as follows:

<u>Relevant Parties</u>	<u>Number of Shares</u>	<u>Direct</u>		<u>Number of Shares</u>	<u>Deemed</u>	
		<u>Before Share Purchase</u> <u>% of total issued Shares⁽¹⁾</u>	<u>After Share Purchase</u> <u>% of total issued Shares⁽²⁾</u>		<u>Before Share Purchase</u> <u>% of total issued Shares⁽¹⁾</u>	<u>After Share Purchase</u> <u>% of total issued Shares⁽²⁾</u>
Ms. Wang Lin	—	—	—	—	—	—
Mr. Zhai Lingyun	—	—	—	—	—	—
China Stem Cells (East) Company Limited	25,516,666	10.02	10.55	—	—	—
China Stem Cells Holdings Limited	—	—	—	25,516,666 ⁽³⁾	10.02	10.55
China Cord Blood Services Corporation	—	—	—	25,516,666 ⁽⁴⁾	10.02	10.55
Global Cord Blood Corporation	—	—	—	25,516,666 ⁽⁵⁾	10.02	10.55
Blue Ocean Structure Investment Company Ltd (BVI)	—	—	—	25,516,666 ⁽⁶⁾	10.02	10.55
Blue Ocean Creation Investment Hong Kong Limited	—	—	—	25,516,666 ⁽⁷⁾	10.02	10.55

<u>Relevant Parties</u>	<u>Number of Shares</u>	<u>Direct</u>		<u>Number of Shares</u>	<u>Deemed</u>	
		<u>Before Share Purchase % of total issued Shares⁽¹⁾</u>	<u>After Share Purchase % of total issued Shares⁽²⁾</u>		<u>Before Share Purchase % of total issued Shares⁽¹⁾</u>	<u>After Share Purchase % of total issued Shares⁽²⁾</u>
Shanghai Blue Ocean Ke Rui Financial Information Service Partnership	—	—	—	25,516,666 ⁽⁸⁾	10.02	10.55
Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership)	—	—	—	25,516,666 ⁽⁹⁾	10.02	10.55
Nanjing Ying Peng Asset Management Limited	—	—	—	25,516,666 ⁽¹⁰⁾	10.02	10.55
Sanpower Group Nanjing Investment Management Limited	—	—	—	25,516,666 ⁽¹¹⁾	10.02	10.55
Nanjing Xinjiakou Department Store Co., Ltd.	51,870,000	20.37	21.45	—	—	—
Sanpower Group Corporation	—	—	—	77,386,666 ⁽¹²⁾	30.40	32.00
Yuan Yafei	—	—	—	77,386,666 ⁽¹³⁾	30.40	32.00

Notes:

- (1) As a percentage of the issued share capital of the Company (excluding the 12,942,610 Shares held as treasury shares), comprising 254,582,744 Shares as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.
- (2) As a percentage of the issued share capital of the Company (excluding the 25,671,747 Shares that would be held as treasury shares) after the full exercise of the Share Purchase Mandate, comprising 241,853,607 Shares.
- (3) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, China Stem Cells Holdings Limited is the sole shareholder of China Stem Cells (East) Company Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (4) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, China Cord Blood Services Corporation is the sole shareholder of China Stem Cells Holdings Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.

- (5) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 6 September 2017, Global Cord Blood Corporation is the sole shareholder of China Cord Blood Services Corporation and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (6) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Blue Ocean Structure Investment Company Ltd (BVI) holds 65.40% of the issued and outstanding share capital of Global Cord Blood Corporation and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (7) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Blue Ocean Creation Investment Hong Kong Limited is the sole shareholder of Blue Ocean Structure Investment Company Ltd (BVI) and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (8) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Shanghai Blue Ocean Ke Rui Financial Information Service Partnership is the sole shareholder of Blue Ocean Creation Investment Hong Kong Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (9) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership) is the limited partner of Shanghai Blue Ocean Ke Rui Financial Information Service Partnership and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (10) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Nanjing Ying Peng Asset Management Limited is the general partner of Shanghai Blue Ocean Ke Rui Financial Information Service Partnership. Nanjing Ying Peng Asset Management Limited is also general partner of Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (Limited Partnership). Nanjing Ying Peng Asset Management Limited is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (11) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Sanpower Group Nanjing Investment Management Limited is the sole shareholder of Nanjing Ying Peng Asset Management Limited and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited by virtue of Section 4 of the SFA.
- (12) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Sanpower Group Corporation is the sole shareholder of Sanpower Group Nanjing Investment Management Limited and holds 27.32% equity interest in Nanjing Xinjiekou Department Store Co., Ltd.. Sanpower Group Corporation is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited and Nanjing Xinjiekou Department Store Co., Ltd. by virtue of Section 4 of the SFA.
- (13) Based on the Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) received by the Company on 31 January 2018, Yuan Yafei holds 97.5% equity interest in Sanpower Group Corporation and is therefore deemed to be interested in the Shares held by China Stem Cells (East) Company Limited and Nanjing Xinjiekou Department Store Co., Ltd. by virtue of Section 4 of the SFA.

4. DIRECTORS' RECOMMENDATION

The Directors (other than the Relevant Directors, namely Ms. Wang Lin and Mr. Zhai Lingyun, who are required to abstain from making any recommendation to Shareholders to vote in favour of Ordinary Resolution Number 10 as set out in the Notice of AGM) are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company. Accordingly, the Directors (other than the Relevant Directors) recommend that Shareholders vote in favour of the Ordinary Resolution Number 10 as set out in the Notice of AGM.

5. ABSTENTION FROM VOTING

The Relevant Parties will abstain from voting on the Ordinary Resolution Number 10 relating to the proposed renewal of the Share Purchase Mandate, at the AGM. Ms. Wang Lin and Mr. Zhai Lingyun will also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of the said resolution. The renewal of the Share Purchase Mandate must be approved by a majority of those Shareholders present and voting at the AGM on a poll, who could not become obliged to make a take-over offer as a result of the Share Purchases.

6. ANNUAL GENERAL MEETING

The AGM will be conducted wholly by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 on 30 April 2021 at 10.00 a.m. for the purpose of, among others, considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution Number 10 relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of AGM.

7. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excluded) from the date of this Letter up to and including the date of the AGM¹:

- (a) the 2020 Annual Report; and
- (b) the Constitution of the Company.

The 2020 Annual Report may also be accessed at <https://cordlife.listedcompany.com/ar.html> or SGXNet.

¹Inspection shall be subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities from time to time.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully

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

Ms. Tan Poh Lan
Executive Director and Group Chief Executive Officer

SCHEDULE – DEFINITIONS

In this Letter, the following definitions apply throughout unless otherwise stated:

"2020 AGM"	: Shall have the meaning ascribed to it in paragraph 2.1 of this Letter
"2020 Annual Report"	: The annual report of the Company for the financial year ended 31 December 2020
"2020 Share Purchase Mandate"	: Shall have the meaning ascribed to it in paragraph 2.1 of this Letter
"AGM"	: The annual general meeting of the Company
"associate"	: Shall have the meaning ascribed to it in the Listing Manual
"associated company"	: Shall have the meaning ascribed to it in the Listing Manual
"Average Closing Market Price"	: Shall have the meaning ascribed to it in paragraph 2.3(d) of this Letter
"CDP"	: The Central Depository (Pte) Limited
"Companies Act"	: The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time
"Company"	: Cordlife Group Limited
"controlling shareholder"	: Shall have the meaning ascribed to it in the Listing Manual
"day of the making of the offer"	: Shall have the meaning ascribed to it in paragraph 2.3(d) of this Letter
"Directors"	: The directors of the Company for the time being
"EPS"	: Earnings per Share
"Group"	: The Company and its subsidiaries
"Latest Practicable Date"	: 31 March 2021, being the latest practicable date prior to the finalisation of this Letter
"Listing Manual"	: The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
"Listing Rules"	: The listing rules of the SGX-ST, as set out in the Listing Manual

"Market Day"	: A day on which the SGX-ST is open for securities trading
"Market Purchases"	: Shall have the meaning ascribed to it in paragraph 2.3(c) of this Letter
"Maximum Price"	: Shall have the meaning ascribed to it in paragraph 2.3(d) of this Letter
"Notice of AGM"	: Shall have the meaning ascribed to it in paragraph 1.1 of this Letter
"NTA"	: Net tangible assets
"Off-Market Purchases"	: Shall have the meaning ascribed to it in paragraph 2.3(c) of this Letter
"Relevant Period"	: The period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed
"SFA"	: The Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time
"SIC"	: Securities Industry Council
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Share Purchase"	: Purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
"Share Purchase Mandate"	: A general mandate given by Shareholders to authorise the Directors to purchase or acquire, on behalf of the Company, Shares in accordance with the terms of this Letter, as well as the rules and regulations set forth in the Companies Act and the Listing Rules
"Shareholders"	: Registered holders for the time being of the Shares (other than CDP), or in the case of depositors, depositors who have Shares entered against their names in the Depository Register
"Shares"	: Ordinary shares in the share capital of the Company
"subsidiary holdings"	: Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

- "Substantial Shareholder"** : A Shareholder who has an interest in one or more voting Shares in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
- "Take-over Code"** : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
- "S\$" and "cents"** : Singapore dollars and cents respectively
- "%" or "per cent."** : Percentage or per centum

The terms "**depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Part IIIAA of the SFA. The term "**subsidiary**" shall bear the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA or any statutory modification thereof and not otherwise defined in this Letter shall have the same meaning assigned to it in the Companies Act or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations contained in this Letter are of such laws and regulations as at the Latest Practicable Date.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

Any reference to a time of day in this Letter is made by reference to Singapore time unless otherwise stated.

Any discrepancies in this Letter between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.