

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

REPLIES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors of Cordlife Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its announcements dated 30 November 2023 and 5 December 2023. The Company has received queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the foregoing announcements and wishes to respond to the Queries as follows:

Question 1: Please explain whether the indefinite suspension of the Company's FACT accreditation would impact its business and disclose the potential financial impact to the Company.

Company's Response

The Company is of the view that the suspension of the Company's FACT accreditation will not result in any material impact to the Company's ability to continue its business operations and/or the financial performance of the Group for the financial year ending 31 December 2023 as FACT accreditation is not a pre-requisite to the Company carrying on its current business.

Question 2: Noting the severity of the subject matter of the unannounced audits by MOH in August and November 2023 (the "MOH Unannounced Audits**"), please explain why the Board was of the view that no announcement was required at the relevant time.**

Company's Response

At the time of the Ministry of Health ("**MOH**") unannounced audit on 15 August 2023, the Company had not been notified by the MOH that the Company was deemed to be in breach of any rules, regulation or law. The Company was informed that the audit was being carried out as a result of feedback received by MOH from a member of the public.

On 15 November 2023, MOH informed the Company that it would be conducting an inspection of the Company's Cord Blood Banking Service and Human Tissue Banking Service under the Healthcare Services Act 2020, on 16 and 17 November 2023. The inspection was extended for a few more days in November, during which time the Company attended to MOH and its requests for information. Upon receipt of the MOH's notice of compliance on 30 November 2023 which detailed the inspection outcomes and the consequences of the same, the Company released its announcement on the same day.

Question 3: Prior to the MOH Unannounced Audits, was the Company aware that there were tanks exposed to temperatures beyond the acceptable limits for several days in February, March and June 2022 (the “2022 Incidences”)? If yes, how was the Company made aware of the 2022 Incidences and explain why the Board was of the view that no announcement was required at the relevant time.

Company's Response

Certain members of the management team were alerted by a Company employee in June 2022 that there was one tank that was exposed to irregular temperatures for several days in June 2022. Upon being notified, they took immediate actions and carried out internal investigations to further understand the issue. These members of the management team thereafter strengthened the Company's laboratory processes, procedures and staff training, to prevent the recurrence of such lapses.

After the above-mentioned incident was reported to the Board in February 2023 as further explained the response to Question 4(b) below, the Board had assessed the financial impact of the above-mentioned incident and took the view that there would be no material impact on the financial performance of the Group for the financial year ended 31 December 2022 and the financial year ending 31 December 2023, taking into account, among others, that the Group has adequate provisions to offset against the potential financial impact of any fee refunds or waivers of the remaining storage years that may be offered to clients in connection with the incident.

The irregular temperature exposure in the affected tank and one other tank in February and March 2022 was brought to the attention of the Company during the MOH unannounced audit in August 2023.

Question 4: In relation to the process lapses noted by MOH in its report dated 30 November 2023,

a. Were these processes, which relates to the Company's operational risks, previously audited by its internal auditors? If so, what were the findings?

Company's Response

The laboratory process was audited by the internal auditors in 2012. As the laboratory processes were already subject to the audits by the following bodies on a biennial basis: (a) the Ministry of Health in accordance with licensing requirements under the Healthcare Services Act 2020; (b) Association for the Advancement of Blood & Biotherapies (“**AABB**”) since 2005 for accreditation purposes; and (c) FACT since 2015 for accreditation purposes, the Company had previously assessed that it would be a more appropriate use of resources for the internal audit to be focused on other areas of the Company's business.

b. Was the audit committee (“AC”) aware of the multiple instances of unacceptable temperatures within the tanks since November 2020? If so, when was this brought to the attention of the AC and the external auditors? If not, please explain why.

Company's Response

As mentioned in the response to Question 3 above, certain members of the management team were made aware of the irregular temperatures in one tank in June 2022. After internal investigations, this

was escalated as a risk incident to the AC and the Board in February 2023 where further assessments were made on the potential financial impact that may arise from this incident. The external auditors were also informed of this incident in February 2023.

For and on behalf of the Board

CORDLIFE GROUP LIMITED

Tan Poh Lan

Executive Director and Group CEO

10 December 2023