

5 March 2024

Dear Esteemed Clients,

Re: Stability Assurance and Commitment to Excellence

We hope this letter finds you in good health and spirits. As valued clients of HealthBaby Biotech (Hong Kong) Co. Ltd. ("HealthBaby"), we would like to take this opportunity to reaffirm our unwavering commitment to excellence and the continued stability of our operations in Hong Kong and Macau.

Amid recent events concerning the cord blood banking facility in Singapore owned by our parent company, Cordlife Group Limited ("Cordlife"), we understand that there may be concerns regarding the impact on our operations. We wish to reassure you that these events have no bearing on HealthBaby's financial stability or operational sustainability in Hong Kong and Macau.

We remain resilient and steadfast in our commitment to provide the highest-quality cord blood banking services. With a track record of profitability and positive cash flow, our strong financial position underscores the robustness of our operations in Hong Kong, ensuring continuity and reliability for our clients.

Furthermore, in response to recent claims made by industry counterparts that HealthBaby or Cordlife is on the verge of bankruptcy, we want to make it clear that these allegations are entirely baseless and without merit. We categorically reject any attempts to mislead the public or healthcare professionals, and we reserve all rights to pursue legal action against those parties found responsible for disseminating false or misleading information.

We are very focused on delivering value to you as well as maintaining the trust of our stakeholders and driving sustainable growth in Hong Kong. Our operations will continue to thrive, guided by principles of excellence.

Since our establishment in 2006, HealthBaby has been at the forefront of innovation in cord blood banking, pioneering the use of the BioArchive® system for cord blood and cord lining storage. Our commitment to excellence and groundbreaking technology have helped us maintain our position as the preferred cord blood bank among parents in Hong Kong for 15 consecutive years, as recognised by Ipsos, a global market research and public opinion specialist.

Our dedication to excellence is further evidenced by our state-of-the-art monitoring system, DATAssure™, which ensures optimal storage conditions round-the-clock, guaranteeing the integrity and viability of our clients' samples.

Once again, we want to express our sincere gratitude for your continued trust and support. We remain committed to serving you with the highest standards of professionalism and excellence, ensuring the well-being of you and your family for years to come.

Yours sincerely,

Lucy Lai
Chief Executive Officer