

Taking Stock Of Stocks

Cordlife offers peace of mind



Cordlife group chief executive officer Michael Steven Weiss says his company is looking to invest in and/or acquire businesses with a strong earnings profile that can add to its existing multinational platform. Diagnostics, wellness and in-vitro fertilisation are all areas of focus. ST PHOTO: NG SOR LUAN

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In this monthly series, The Sunday Times and the SGX research team interview company bosses to help investors get a better look at a firm's operations, one that goes beyond the financials

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Set up in May 2001 and listed on the mainboard of the Singapore Exchange in 2012, Cordlife Group is a consumer health company.

It has processing and storage facilities in six key markets across Asia, namely Singapore, Hong Kong, Malaysia, India, Indonesia and the Philippines, as well as brand presence in Myanmar and Vietnam. This makes the group one of the leading providers of cord blood, cord lining and cord tissue banking services in the region.

Cordlife is one of the first private cord blood banks in Asia to release cord blood units for transplants and cellular therapy. To date, the group has released more than 500 stem cell units for use in successful transplants and therapies.

Mr Michael Steven Weiss, Cordlife's group chief executive officer, discusses the business side of the group and shares a few successful cases of cord stem cell treatment.

Q HOW DID CORDLIFE BEGIN AND HOW HAS IT EVOLVED SINCE THEN?

A Cordlife Group started in 2001 and is Singapore's first private cord blood bank. Over the years, we expanded into other markets in the region, beginning with Hong Kong in 2005, Indonesia and India in 2007, the Philippines in 2010, Malaysia in 2015, Myanmar in 2016, and Vietnam last year.

Today, we are one of the largest private cord blood banks in Asia and the market leader in Singapore, Hong Kong, Indonesia and the Philippines.

FORM OF INSURANCE

When people bank with us, they are in effect buying insurance and peace of mind, knowing that the cord blood they are storing can be used some day to potentially treat a life-threatening condition for their children or for themselves.

MR MICHAEL STEVEN WEISS, Cordlife's group chief executive officer.



In a sense, Cordlife is really an umbilical cord stem cell bank. In today's climate of increasing investment, technological advancement and use of cellular therapies, we believe stem cell banking is more relevant, and more important, than before.

Cordlife also offers non-invasive diagnostic services for expectant mothers, newborn babies, young children and members of the family. We intend to add new services in this segment as an additional driver of growth for the company.

When we started, we collected and stored only umbilical cord blood, which is a rich source of haematopoietic stem cells (HSC). Currently, we also collect and store umbilical cord lining and umbilical cord tissue (also called Wharton's jelly), which contain other types of stem cells, such as mesenchymal stem cells (MSC) and epithelial stem cells (EpSC).

Both types of stem cells are being evaluated in more than 650 clinical trials worldwide to treat conditions such as heart disease, stroke, spinal cord injury and corneal repair.

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Cordlife is the first private cord blood bank in South-east Asia and one of only six in the world to be accredited by both AABB and Fact-NetCord, which are the principal international accreditation bodies for cord blood banks.

Q WHAT ARE CORD BLOOD AND CORD LINING/TISSUE AND WHY SHOULD THEY BE STORED?

A Cord blood, cord lining and cord tissue are collected from the umbilical cord at the time of birth. Cord blood is a rich source of HSCs, which are responsible for replenishing blood and regenerating the immune system. These cells have the unique ability to differentiate into red blood cells, which transport oxygen; white blood cells, which produce antibodies and fight infections; and platelets, which assist in blood clotting.

Meanwhile, cord lining houses MSCs and EpSCs, and cord tissue, primarily MSCs. MSCs hold great potential to modulate immune response, such as to reduce graft versus host disease, as well as help in the engraftment and establishment of other cells.

MSCs can also differentiate into various cell types - such as bone, cartilage, muscle, marrow, tendon/ligament and connective tissue cells - which can be utilised for regenerative purposes. MSCs and EpSCs can also aid in wound healing.

The umbilical cord stem cells you store for your baby can be used for the treatment of more than 85 diseases - such as blood cancers, solid tumours and immunodeficiency disorders - for the child or for someone else in the family.

Stem cells from the umbilical cord are proven to be an effective substitute for those in bone marrow, which is the primary source of new blood cells in the body.

In Singapore, statistics indicate that 40 per cent to 60 per cent of patients who require stem cell transplants are unable to find a suitable match from bone marrow donors or public cord blood banks every year.

Notably, unlike bone marrow, cord blood does not require a perfect match between the donor and the recipient. This makes it easier to find a suitable match within the family in the event that a stem cell transplant is required.

Meanwhile, clinical trials worldwide indicate that umbilical cord stem cells can be used to potentially treat a host of other conditions, including Alzheimer's disease, diabetes, spinal cord injuries, and to help in skin and tissue regeneration.

Q HOW DOES CORDLIFE HANDLE THE UMBILICAL CORD COMPONENTS?

A Once the baby is delivered, the doctor clamps the umbilical cord and drains the cord blood into a sterile blood bag. The doctor will also trim a segment of the umbilical cord lining/tissue and place it inside a sterile container. There is no discomfort or pain for either baby or mother.

These are sent to our processing and storage facility within 24 to 48 hours to be tested for infectious diseases before being processed. The stem cells are then safely stored in a temperature-controlled liquid nitrogen storage tank. Our tanks are equipped with a high-grade monitoring system to ensure that the temperature is maintained within the optimum range at all times.

Q CAN YOU SHARE ANY SUCCESSFUL CASES OF CORD STEM CELLS TREATMENT?

A Over the years, the group has released 46 cord blood units that have been successfully accepted for transplants and cellular therapies. Our proven track record for release is the ultimate validation of our capability to provide quality products and services.

In 2010, the parents of a three-month-old baby boy in Singapore discovered that his neck was too soft to support his head. The boy was later diagnosed with quadriplegic cerebral palsy and had severe hearing difficulty in both ears.

Upon learning that an infusion of umbilical cord blood could benefit children with cerebral palsy, the parents, who had stored the boy's cord blood with Cordlife, made the necessary arrangements for him to undergo a cord blood transplant. His cognitive and motor functions have since improved significantly.

More recently, a young boy, who was active and normal until he was 10, fell into a state where he constantly felt lethargic and developed a poor appetite for no apparent reason. He also experienced significant weight loss, with bouts of fever and vomiting.

In response, he endured months of various different treatments in numerous hospitals. In 2017, doctors finally diagnosed him with chronic myeloid leukaemia. This news broke his parents' hearts, and they were determined to seek a more viable solution.

Last year, the parents managed to find a match with his youngest sister's cord blood, which they had stored with Cordlife. The ensuing transplant was a success, and we understand that the boy is in remission.

Q WHAT OTHER SERVICES DO YOU PROVIDE?

A Cordlife also offers a number of diagnostic services, namely a non-invasive prenatal test for expectant mothers to screen for chromosomal abnormalities, a urine-based screening service to detect more than 100 metabolic disorders in newborns, a paediatric eye test for children aged six months to six years, and a saliva-based genetic screening to help families identify potential genetic mutations associated with hereditary conditions such as breast cancer and heart disease.

Q IS CORD BLOOD BANKING POPULAR IN SINGAPORE? WHAT ABOUT THE REST OF ASIA?

A Interest in cord blood banking has been growing over the years as cord blood banks step up efforts to raise public awareness of their services. When people bank with us, they are in effect buying insurance and peace of mind, knowing that the cord blood they are storing can be used some day to potentially treat a life-threatening condition for their children or for themselves.

In Singapore, the Baby Bonus Scheme is helpful in getting parents to store their babies' cord blood as they can use the money in the Child Development Account to pay for the service. Across all the markets in Asia we operate in, Singapore is the second largest by newborn deliveries.

Demand in emerging markets such as India, Indonesia and the Philippines is growing faster than in mature markets like Singapore and Hong Kong, as their growing middle class increasingly spends more on discretionary goods and services, including specialised healthcare like stem cell banking.

Q LOOKING AHEAD, WHAT CAN WE EXPECT FROM CORDLIFE?

A Our existing client base comprises more than 200,000 families across Asia. This translates into more than half a million people, or well over a million if one includes grandparents, who are frequently involved in the decision to store, and often help fund the purchase.

We want to step up engagement with the broader family, and seek multiple opportunities over time to provide goods and services over a lifetime.

With our sizeable client base, there is great potential for us to connect with our families on an ongoing basis throughout the tenure of their stem cell banking contract, which can be 18 to 21 years, or in some countries, longer.

We plan to roll out a more substantive membership/loyalty programme to offer customers certain benefits, privileges and even certain product offerings online. This will improve brand recall and better position us to pursue repeat business.

We also intend to be very active in the mergers and acquisitions (M&A) market. There are many targets around the region in our base business, but perhaps more importantly, opportunities abound in near neighbour segments that have potential synergies with our installed operations.

We will look to invest in and/or acquire businesses with a strong earnings profile that can add to our existing multinational platform. Diagnostics, wellness and in-vitro fertilisation are all areas of focus.

We believe M&A will help us further drive top-and bottom-line growth, as well as enable us to expand our portfolio of services - to offer more holistic healthcare options for everyone in the family.