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# S'pore firm aims for stem cell market

**CordLife, which bought a US firm, plans to expand in Europe, Australia**

By **Denesh Divyanathan**  
 FOR decades, doctors and scientists have been desperately trying to cure the world's illnesses with artificial drugs. But in the last few years, a breakthrough in medical science has directed researchers to look within the human body for possible cures in the form of stem cells.

While the field is still largely dominated by US companies, one Singapore firm is already making its mark in this cutting-edge area of biotechnology.

After just two short years, CordLife has secured more than \$11 million in funding including \$2.5 million from UOB Ventures, completed a multi-million dollar acquisition in the US and filed about half a dozen patents, mostly in the US.

And now the company, which is hoping to double

revenue next year and may even consider going public, is looking to expand its presence in Europe, Australia and Singapore.

"Right now we are in discussions with two authorities, Switzerland and Spain. We have also had discussions with strategic partners in Germany and that is still ongoing," said CordLife founder and chief executive Steven Fang in a recent interview.

Mr Fang hopes to set up at least one facility offering banking and therapeutic services in Europe within a year or two. In time, he hopes this will grow to be between two and four.

In Singapore and Australia, the company would be opening satellite research and development centres within a year to support its main R&D work in Boston.

By "banking", Mr Fang means the storing of umbilical cord blood of newborns, which is what the company first started doing two years ago in Singapore.

Cord blood banking, which carries a one-time fee

of \$2,500 and an annual storage fee of \$250, is still the main revenue driver for the company. It has three such banking facilities in Singapore, Malaysia and China.

And the potential to grow this market is huge, Mr Fang said, as it is one of only two companies here to offer the service.

Also, only about 0.75 per cent of the 40,000-odd newborns in Singapore each year get their cord blood stored currently. This compares with a penetration rate of about 10-11 per cent in the US, he said.

But even so, CordLife has already started to work on different tissue banking possibilities to expand its revenue base. "As a commercial company, you cannot be a one product company, a one service company. So we are evolving ourselves and growing ourselves to increase the lines of revenue," Mr Fang says.

So earlier this year, it got the approval of the Ministry of Health to also bank peripheral blood stem cells for cancer patients. That is,

blood taken from the veins of patients, usually adults.

And soon, it hopes to be able to offer services for the banking of adipose stem cells. Adipose stem cells are essentially the fat cells taken from the stomach area which can be applied in areas such as skin repair.

But apart from diversifying its "banking" business, Mr Fang has also been actively moving CordLife up the value-chain.

"We cannot be just a tissue warehouse and just focus on banking. Beyond that, we really need to be relevant... to the scientists and more importantly to be relevant to our clients and the man-in-the-street."

As such, the company has also been actively involved in leading-edge R&D work and therapeutics.

And to boost its R&D work, the company acquired Boston-based Cyto-matrix last month for an estimated US\$11 million in a share swap deal.

Together, both companies have been working at developing a technology

platform which can effectively multiply or amplify stem cells without changing their functionality.

According to Mr Fang, CordLife has developed a possible solution in this area and is on the verge of clinical trials. It is also one of three companies in the world to have filed for a patent in this area, he added.

CordLife is also in the downstream area of therapeutics where it works with doctors, scientists and hos-

pitals to develop therapies using of stem cells. Today, about 45 medical conditions such as leukaemia, brain tumors and anaemia can be treated with stem cells.

By throwing its experience into therapeutics, CordLife hopes to expand this list in the years to come.

CordLife now has a presence in eight countries — Singapore, Malaysia, Thailand, Indonesia, China, Australia, Switzerland and the US — with about a third of

its 52-strong team based overseas.

And in terms of financials, the group looks to be in good health. Mr Fang expects it to rake in revenue of US\$5-6 million this year as it hits breakeven and hopefully doubling it next year.

So with all that the company has going for it, are there plans to go public? "It could be one of the options we could explore," said Mr Fang. But he declined to indicate any timeframe.

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— Steven Fang, CordLife founder and chief executive

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