

CordLife hopes to be in the black in 12-18 months

Group has been posting losses due to expansion plans

[KUALA LUMPUR] Singapore's cord-blood banking company CordLife hopes to be in the black within 12 to 18 months, backed by stronger umbilical cord banking growth in existing and new markets, says a report in Malaysia's *Business Times*.

With over 10,000 clients as at June 30, 2007, CordLife wants to increase its clientele through new sign-ups from maturing markets it operates in, such as Singapore, Australia and Hong Kong.

CordLife also ventured into Indonesia last year and is due to begin operations in India in early 2008, which will allow the group to tap into new and large markets that will increase the group's total business volume.

CordLife, which was listed on the Australian Securities Exchange in 2004, has been posting net losses due to ongoing expansion plans.

"We are now satisfied with our market footprint in Asia and every market has a predictable cycle to



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Expanding client base: *With over 10,000 clients as at June 30, 2007, CordLife wants to increase its clientele through new sign-ups from maturing markets it operates in, such as Singapore, Australia and Hong Kong*

show profit," said chief executive officer Steven Fang in a phone interview with Malaysia's *Business Times*.

Currently, Singapore operations contribute 40 per cent of the group's revenue. "The other markets continue to be fairly stable in revenue contribution, with Australia comprising 15 per cent to 20 per cent,"

said Mr Fang. He said revenue will continue growing between 20 and 40 per cent for this fiscal year.

For the financial year ended June 30, 2007, the company posted a net loss of RM20.6 million (S\$9 million) against a revenue of RM5.7 million. Revenue grew by 41 per cent as net losses jumped by 212 per cent from 2006.

The increase in its net loss was due to expenses incurred from a restructuring exercise carried out by CordLife in 2007.

CordLife closed down its product development arm, Cytoventions Inc, and diluted its stake in its formerly wholly owned technology unit, Cytomatrix. Mr Fang said streamlining its busi-

nesses will allow the company to focus on its cord-blood banking services. "For the cord blood banking industry, revenue and profit are driven by sheer population. The bigger the population means a higher birth rate," he said.

Thus, markets like India, Indonesia and China are ideal for cord blood banking.