

StemCord

Newsletter

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Note from the Medical Director

Greetings from StemCord!

Back in 2002, my co-founders and I started StemCord with the primary vision of bringing hope for the future. We became Singapore's first private cord blood bank, blazing the trail in following strict standards and guidelines, and by being licensed by the Ministry of Health.

Today, we are pleased to have earned your trust to remain as the market leader and as Singapore's largest cord blood bank. We have established a strong reputation in providing reliable services for more than 10,000 clients and have worked with all hospitals in Singapore. In addition, we continue to be the only provider offering better value to our clients through our innovative method of storing stem cells in multiple vials, crucial for catering to both the needs of today as well as the future.

We continue to remain focused on cord blood banking and the bright future for stem cell therapy as we have done since day

one. Not resting on our laurels, we are currently working towards acquiring accreditation with the Foundation for Accreditation of Cellular Therapy (FACT), a body that has a strong focus on stem cell banking. This accreditation will further distinguish StemCord as a service provider that far exceeds the high standards in the industry, in line with our aim of bringing about greater benefits to one and all.

Yours sincerely

Dr Teo Cheng Peng
Medical Director
StemCord Pte Ltd

Congratulations to StemCord's 10,000th Customer!

On 3 March 2007, Mrs Heng Koon Gek became StemCord's 10,000th customer at the "Miracle of Birth" exhibition organised by StemCord. That same day called for a celebration as StemCord was reinforced as the largest and most established private cord blood bank in Singapore.

Said Mrs Heng, now a mother of two, "I was referred by a friend of mine who signed up with StemCord. Before visiting StemCord's booth, I browsed through StemCord's website (www.stemcord.com) and realised that one of the Directors, Dr Ang Peng Tiam, is my mother's oncologist. Immediately, I had great faith and confidence in StemCord's services."

"Health insurance policies prepare us financially when we are stricken with medical illnesses but they do not provide the means to treat them. Therefore, I signed up to bank the cord blood as a form of insurance to safeguard my baby's future. Being the 10,000th customer of StemCord is an added bonus and definitely a great start for my baby." added Mrs Heng.

Mrs Heng received complimentary enrolment to the cord blood bank worth S\$1,150, ten years' of complimentary cord blood bank storage worth S\$2,500, dining vouchers and a baby hamper.

StemCord's current facility can accommodate up to 15,000 blood samples and it has secured the location of a second laboratory at Science Park II to cater to its fast-growing client base.



Mrs Heng Koon Gek (centre), StemCord's lucky 10,000th customer with Dr Ang Peng Tiam, Director and Co-Founder of StemCord (left) and Dr Leong See Odd, Chief Executive Officer and Co-Founder of StemCord (right).



Mrs Heng gave birth to her second child in March. Our heartiest congratulations!

Highlights

- StemCord In The News: A Gift That May Well Stand The Test of Time (The Business Times, 17 April 2007)
- The "Miracle of Birth" Exhibition
- Free Upcoming Workshops on Cord Blood Banking & Breastfeeding
- Refer a Friend & get \$100 off

SME spotlight

A gift that may well stand the test of time

Making money comes second for cord blood bank StemCord, reports CHEN HUIFEN

MANY companies that were featured in these pages told of stories about growth, expansion and ambitious goals to reach that multi-million dollar milestone. But for StemCord, making money was merely a 'by the way' phenomenon for the four founders who probably make more money from their medical practice.

The first private cord blood bank in Singapore, StemCord was set up in 2002 after the doctors shared their frustrations about finding a bone marrow match for a patient with leukaemia.

"We went to all the bone marrow registries around the world," explains Ang Peng Tiam, medical director at Parkway Cancer Centre and one of the founders of StemCord. "But in order for you to establish whether there is a match or not, you need to pay \$500 for every sample tested, anywhere."

With no guarantee of finding a match, it meant that a patient will just have to keep paying in order to continue what may be a desperate search attempt.

"When we see cases happen like this, we said to ourselves, If only - if only this patient had stored his own cord blood, his own stem cells, he won't be in this predicament."

And so, the four friends dug out about \$1 million from their own pockets, the bulk of which was spent on the laboratory equipment needed to store cord blood in vials. Cord blood, drawn from the umbilical cord, has to be stored at temperatures of -180 deg C. It is a rich source of haemopoietic stem cells which can be used as a treatment option for blood-related diseases.

Dr Ang admits that the chances of using the stored cord blood is very slim, but he likens it to buying a biological insurance for the child.

"Based on today's indication of treatment for cancer, perhaps only one in 30,000 will require (a stem cell transplant)," he says. "When you don't need it, one in 30,000 seems very

unlikely. When you need it, you'd wish you had banked it."

Being the first such facility in Singapore, the biggest challenge for the company then was in explaining its proposition to the Ministry of Health and in clearing the safety standards with the regulator. The company was also in the red in the first three years, although this was something which the founders were not overly concerned with.

"Because it's something which we believe in, whether it makes money at the end of the day, to us, it's really not the most important thing," says Dr Ang. "We want to help people understand a little bit more about stem cells, and provide them with an opportunity to bank. If they don't want to, don't say that there wasn't an opportunity."

As such, there are no big plans on regional expansion, acquisition strategies, R&D ventures or listing hype to speak of. As Dr Ang describes it, StemCord is a no-frills, 'mom-and-pop shop that will stay here for many, many years'.

"I'm not going to risk the fiscal viability of my company and do R&D," he adds. "Those are win big, lose big. I win small, but I'll always be around. So that's why I say, we are as strong as a rock. We are not going to be distracted. All those listing and so on, doing research and getting all those patents in order to hype up the value of the company - I don't know how to do those things. I'm not a businessman. I'm a doctor who's true to the heart of a doctor."

The fiscal viability of the company is important to ensure that activities will be sustainable in the long haul. After all, parents bank their babies' cord blood with the intention of storing for decades. Today, StemCord is the only profitable cord blood banking firm in Singapore, raking in about \$1 million in profit a year. It has a stable staff strength of 17, mainly in sales, laboratory and administration.

Even in the face of competition, Dr Ang reveals a laidback attitude. Shortly after StemCord was formed, a second private cord blood bank

was established in Singapore. This was followed by the setting up of a public cord blood bank in 2005. Dr Ang didn't bat an eyelid.

"Many people called me up and say, Oh my god, is StemCord in trouble if there's going to be a public cord blood bank?" I told them, You must be kidding. If the government wants to store it, realises the potential of the stem cells, it is helping me in terms of publicity for people to understand the importance of stem cells.' This general awareness of the importance of stem cells has helped our numbers to grow."

StemCord saw a 51 per cent growth in the number of clients last year, or about 3,600 samples collected. It recently welcomed its 10,000th customer - a feat considering that the company derives the bulk of its revenues from the birth declining Singapore market. "The declining birth rate is actually in our favour," says Dr Ang. "With a declining birth rate, people become more aware that it is harder and harder for you to have a sibling match."

Dr Ang says he is confident that StemCord will draw the same number of clients this year and the company is in the process of opening a second laboratory in Singapore, where it currently has a storage facility for 15,000 samples. About 10 per cent of its clients come from the region, where it has agents in Brunei, Indonesia, the Philippines and Vietnam. Samples from these places are airflown to Singapore.

Noting that its rival is setting up physical cord blood banking facilities in the region, StemCord says it has no plans to do so. "Physical banks don't make sense," explains Dr Ang. "People want to use you because of the stability, the security of the country you are in."

Rather, his main concerns are to maintain the strictest standards in collection, storage and processing of the samples. Hence, the firm is working towards an accreditation by the Foundation for the Accreditation of Cellular Therapy.

"All we are really interested in is to make sure the clinical standards are maintained," he says. "Our reputation is at stake. And our

Life-savers:
StemCord's 4 founders dug out about \$1m from their own pockets, most of which was spent on the laboratory equipment needed to store cord blood in vials



reputation earns us far more money than StemCord does. So that's why we have to protect that very carefully.'

The father of four lamented that he did not have a chance to bank any of his children's cord blood as there were no such banking facilities when they were born.

'What will make me really happy is, if one day, instead of all those meaningless baby shower gifts that grandparents or close friends give, the baby is given a free paid package for the storage of their (cord blood) stem cells. When cord blood banking becomes the new age baby shower gifts, that will be truly when we have arrived. And it is far more valuable than whatever diapers or baby prams that you can buy, because it stands the test of time. And it's only once in a lifetime opportunity. You can't buy it again.'



ARTHUR LEE

'When cord blood banking becomes the new age baby shower gifts, that will be truly when we have arrived.'

— Ang Peng Tiam, medical director at Parkway Cancer Centre and one of the founders of StemCord



STEMCORD

The "Miracle of Birth" Exhibition

StemCord held a unique "Miracle of Birth" exhibition during the Babycare Festival from 2 to 4 March 2007, at Suntec Singapore. The exhibition provided customers with a 'sensory' rich experience on the growth stages of a foetus in the mother's womb and a greater understanding of cord blood banking. More than 300 new customers entrusted their children's cord blood by signing up as StemCord customers.



Refer Your Friends To Stemcord

Get **\$100*** OFF from your annual storage fee for each friend you successfully refer to StemCord.

Your friends will also enjoy \$50* off their next year's annual storage fee.

Call **6471 2002** to register your friend's name with us today!

*Terms & conditions apply.

Free Workshop on 'Cord Blood Banking & Breastfeeding'

Come and learn from the experts on:

Cord Blood Banking

- What are umbilical cord blood stem cells?
- What are the applications and future uses of stem cell therapy?

By Dr Teo Cheng Peng, Medical Director, StemCord Pte Ltd

Breastfeeding

- How do I ensure successful breastfeeding right from the start?
- Can I breastfeed even after I have gone back to work?

By Lactation Consultant, Mt Elizabeth Hospital

Dates: Saturday, 12, 19, 26 May 2007

Time: 2.00 – 4.00 pm

Venue: StemCord Pte Ltd, Gleneagles Medical Centre, 6 Napier Road, #02-13

Sign up today to book your seats.

Call us: **6471 2002**

Email: enquiry@stemcord.com

SMS: **8222 4456**

(Please include your name, date of session preferred & no. of seats required.)

Get an attractive
Free gift.
Refreshments will
be provided.

Workshop is jointly organised by StemCord Pte Ltd and Parkway Hospitals Singapore.