



TALKMED GROUP LIMITED
(Company Registration No. 201324565Z)

FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) The Directors of TalkMed Group Limited (the “**Company**”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the second quarter and half year ended 30 June 2018 (“**Q2 2018**” and “**YTD 2018**” respectively). The comparative periods in this announcement are the second quarter and half year ended 30 June 2017 (“**Q2 2017**” and “**YTD 2017**” respectively).

	Q2 2018 \$'000 (Unaudited)	Q2 2017 \$'000 (Unaudited)	Increase / (Decrease) %	YTD 2018 \$'000 (Unaudited)	YTD 2017 \$'000 (Unaudited)	Increase / (Decrease) %
The Group						
Revenue	14,050	15,935	(11.8%)	26,118	32,171	(18.8%)
Other items of income						
Interest income	184	140	31.4%	258	201	28.4%
Other income	48	26	84.6%	82	80	2.5%
Other items of expense						
Employee benefits expense	(5,138)	(4,527)	13.5%	(9,086)	(8,900)	2.1%
Cost of share-based payments to employees	(134)	(70)	91.4%	(268)	(70)	282.9%
Operating lease expense	(465)	(400)	16.3%	(899)	(800)	12.4%
Other operating expenses	(1,034)	(959)	7.8%	(2,125)	(1,697)	25.2%
Share of results of associate	(188)	(405)	(53.6%)	(407)	(954)	(57.3%)
Profit before tax	7,323	9,740	(24.8%)	13,673	20,031	(31.7%)
Income tax expense	(1,489)	(1,856)	(19.8%)	(2,781)	(3,761)	(26.1%)
Profit for the period, representing total comprehensive income for the period	5,834	7,884	(26.0%)	10,892	16,270	(33.1%)

1(a)(i) The Directors of TalkMed Group Limited (the “**Company**”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the second quarter and half year ended 30 June 2018 (“**Q2 2018**” and “**YTD 2018**” respectively). The comparative periods in this announcement are the second quarter and half year ended 30 June 2017 (“**Q2 2017**” and “**YTD 2017**” respectively).

The Group	Q2 2018 \$'000 (Unaudited)	Q2 2017 \$'000 (Unaudited)	Increase / (Decrease) %	YTD 2018 \$'000 (Unaudited)	YTD 2017 \$'000 (Unaudited)	Increase / (Decrease) %
Attributable to:						
Owners of the Company	6,307	8,092	(22.1%)	11,688	16,664	(29.9%)
Non-controlling interests	(473)	(208)	127.4%	(796)	(394)	102.0%
Total comprehensive income for the period	5,834	7,884	(26.0%)	10,892	16,270	(33.1%)

1(a)(ii) The net profit attributable to owners of the Company includes the following charges:

The Group	Q2 2018 \$'000 (Unaudited)	Q2 2017 \$'000 (Unaudited)	Increase / (Decrease) %	YTD 2018 \$'000 (Unaudited)	YTD 2017 \$'000 (Unaudited)	Increase / (Decrease) %
Depreciation of plant and equipment	(77)	(78)	(1.3%)	(197)	(155)	27.1%
Finance costs	(17)	-	-	(33)	-	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2018 \$'000 (Unaudited)	31/12/2017 \$'000 (Audited)	30/06/2018 \$'000 (Unaudited)	31/12/2017 \$'000 (Audited)
ASSETS				
Non-current assets				
Plant and equipment	642	674	-	-
Investment in subsidiaries	-	-	5,958	5,003
Investment in associate	4,134	4,541	11,524	11,524
Loan to a subsidiary	-	-	4,269	1,905
Prepaid operating expenses	9	9	-	-
	4,785	5,224	21,751	18,432
Current assets				
Inventories	284	167	-	-
Prepaid operating expenses	542	273	20	13
Trade and other receivables	5,626	8,641	10,088	15,041
Cash and short-term deposits	68,859	71,051	3,199	9,771
	75,311	80,132	13,307	24,825
Total assets	80,096	85,356	35,058	43,257

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2018 \$'000 (Unaudited)	31/12/2017 \$'000 (Audited)	30/06/2018 \$'000 (Unaudited)	31/12/2017 \$'000 (Audited)
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	1,641	1,581	16	29
Other liabilities	2,970	2,596	135	139
Income tax payable	6,421	7,326	-	23
	<u>11,032</u>	<u>11,503</u>	<u>151</u>	<u>191</u>
Net current assets	64,279	68,629	13,156	24,634
Non-current liabilities				
Other liabilities	97	73	-	-
Loan from non-controlling shareholder to a subsidiary	2,846	1,270	-	-
	<u>2,943</u>	<u>1,343</u>	<u>-</u>	<u>-</u>
Total liabilities	13,975	12,846	151	191
Net assets	66,121	72,510	34,907	43,066
Equity attributable to owners of the Company				
Share capital	22,273	22,273	22,273	22,273
Merger reserve	(2,311)	(2,311)	-	-
Share-based payments reserve	614	346	614	346
Other reserve	1,869	2,006	-	-
Foreign currency translation reserve	(495)	(632)	-	-
Retained earnings	44,329	50,647	12,020	20,447
	<u>66,279</u>	<u>72,329</u>	<u>34,907</u>	<u>43,066</u>
Non-controlling interests	(158)	181	-	-
Total equity	66,121	72,510	34,907	43,066
Total equity and liabilities	80,096	85,356	35,058	43,257

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(a) the amount repayable in one year or less, or on demand;
None

(b) the amount repayable after one year;
None

(c) whether the amounts are secured or unsecured; and
None

(d) details of any collaterals.
None

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Q2 2018 \$'000 (Unaudited)	Q2 2017 \$'000 (Unaudited)	YTD 2018 \$'000 (Unaudited)	YTD 2017 \$'000 (Unaudited)
Operating Activities				
Profit before tax	7,323	9,740	13,673	20,031
<u>Adjustments for:</u>				
Depreciation of plant and equipment	77	78	197	155
Cost of share-based payments	134	70	268	70
Finance costs on unwinding of discount adjustment of loan to subsidiary	17	-	33	-
Interest income	(184)	(140)	(258)	(201)
Share of results of associate	188	405	407	954
Operating cash flows before changes in working capital	7,555	10,153	14,320	21,009
Changes in working capital				
Increase in inventories	(57)	(40)	(117)	(50)
(Increase)/decrease in prepaid operating expenses	(225)	66	(269)	51
Decrease in trade and other receivables	115	501	2,845	346
Increase/(decrease) in trade and other payables	276	(145)	60	(233)
Increase in other liabilities	840	700	398	271
Net changes in working capital	949	1,082	2,917	385
Cash flows from operations	8,504	11,235	17,237	21,394
Interest received	231	198	428	417
Income tax paid	(2,186)	(2,559)	(3,686)	(4,314)
Net cash flows from operating activities	6,549	8,874	13,979	17,497
Investing Activities				
Purchase of plant and equipment	(69)	(10)	(165)	(11)
Net cash flows used in investing activities	(69)	(10)	(165)	(11)
Financing Activities				
Dividends paid on ordinary shares	(18,006)	(15,002)	(18,006)	(15,002)
Loan from non-controlling shareholder to a subsidiary	2,000	1,600	2,000	1,600
Net cash flows used in financing activities	(16,006)	(13,402)	(16,006)	(13,402)
Net (decrease)/increase in cash and cash equivalents	(9,526)	(4,538)	(2,192)	4,084
Cash and cash equivalents at beginning of the period	78,385	72,618	71,051	63,996
Cash and cash equivalents at end of the period	68,859	68,080	68,859	68,080

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group (Unaudited)	Share capital \$'000	Merger reserve \$'000	Share- based payments reserve \$'000	Other reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2018	22,273	(2,311)	346	2,006	(632)	50,647	181	72,510
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	5,381	(323)	5,058
Share-based payments	-	-	134	-	-	-	-	134
Balance at 31 March 2018	22,273	(2,311)	480	2,006	(632)	56,028	(142)	77,702
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	6,307	(473)	5,834
Dividend paid to shareholders	-	-	-	-	-	(18,006)	-	(18,006)
Share-based payments	-	-	134	-	-	-	-	134
Fair value adjustment for loan from non-controlling shareholder to a subsidiary	-	-	-	-	-	-	457	457
Other adjustment	-	-	-	(137)	137	-	-	-
Balance at 30 June 2018	22,273	(2,311)	614	1,869	(495)	44,329	(158)	66,121
Balance at 1 January 2017	22,273	(2,311)	-	-	-	43,615	528	64,105
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	8,572	(186)	8,386
Balance at 31 March 2017	22,273	(2,311)	-	-	-	52,187	342	72,491
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	8,092	(208)	7,884
Dividend paid to shareholders	-	-	-	-	-	(15,002)	-	(15,002)
Share-based payments	-	-	70	-	-	-	-	70
Balance at 30 June 2017	22,273	(2,311)	70	-	-	45,277	134	65,443

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Company (Unaudited)	Share capital \$'000	Share-based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2018	22,273	346	20,447	43,066
Loss for the period, representing total comprehensive income for the period	-	-	(342)	(342)
Share-based payments	-	134	-	134
Balance at 31 March 2018	22,273	480	20,105	42,858
Profit for the period, representing total comprehensive income for the period	-	-	9,921	9,921
Dividend paid to shareholders	-	-	(18,006)	(18,006)
Share-based payments	-	134	-	134
Balance at 30 June 2018	22,273	614	12,020	34,907
Balance at 1 January 2017	22,273	-	15,957	38,230
Loss for the period, representing total comprehensive income for the period	-	-	(100)	(100)
Balance at 31 March 2017	22,273	-	15,857	38,130
Profit for the period, representing total comprehensive income for the period	-	-	14,778	14,778
Dividend paid to shareholders	-	-	(15,002)	(15,002)
Share-based payments	-	70	-	70
Balance at 30 June 2017	22,273	70	15,633	37,976

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There are no changes in the Company's share capital since 31 March 2018. As at 30 June 2018 and 30 June 2017, there were no treasury shares held by the Company and there were no subsidiary holdings.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of ordinary shares	
	30/06/2018	31/12/2017
Total number of issued shares	1,314,286,000	1,314,286,000

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no shares held as treasury shares as at 30 June 2018 and 31 December 2017.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except for the adoption of the FRSs and Amendments to FRSs applicable for the financial period beginning on or after 1 January 2018 and as disclosed in paragraph 5 below, the same accounting policies and methods of computation have been applied. The adoption of new FRSs and Amendments to FRSs did not have any effect on the financial performance or position of the Group and the Company.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2018. Other than the adoption of the new standards that are effective on 1 January 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) ("**SFRS(I)**") on 1 January 2018. The adoption of the new standards that are effective on 1 January 2018 and SFRS(I) have no material impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

The Group	Q2 2018 (Unaudited)	Q2 2017 (Unaudited)	YTD 2018 (Unaudited)	YTD 2017 (Unaudited)
Profit attributable to owners of the Company (\$'000)	6,307	8,092	11,688	16,664
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,314,286,000	1,314,286,000	1,314,286,000	1,314,286,000
Basic earnings per share (cents)	0.48	0.62	0.89	1.27
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,314,798,335	1,314,357,587	1,314,798,335	1,314,357,587
Diluted earnings per share (cents)	0.48	0.62	0.89	1.27

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/06/2018 (Unaudited)	31/12/2017 (Audited)	30/06/2018 (Unaudited)	31/12/2017 (Audited)
Net asset value attributable to owners of the Company (\$'000)	66,279	72,329	34,907	43,066
Net asset value per ordinary share at end of the financial period (cents) #	5.04	5.50	2.66	3.28

#The calculation of net asset value per ordinary share was based on 1,314,286,000 shares for all periods.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Performance Review

Revenue

Revenue for Q2 2018 was \$14.05 million, a decrease of \$1.89 million or 11.8% from \$15.94 million for Q2 2017. The decrease was mainly attributed to the decrease in number of patient visits compared to the same corresponding period last year.

Other items of income

Interest income

Interest income increased by \$0.04 million or 31.4% from \$0.14 million in Q2 2017 to \$0.18 million in Q2 2018. The increase was mainly due to the higher interest earned on fixed deposits.

Other income

Other income comprised government-paid paternity and maternity leave and government grant under the Temporary Employment Credit scheme.

Other income grew by \$0.02 million or 84.6% from \$0.03 million in Q2 2017 to \$0.05 million in Q2 2018. The increase was mainly due to higher amount of income received in respect of government-paid paternity and maternity leave, partially offset by a lower grant amount received.

Other items of expense

Employee benefits expense

Employee benefits expense comprised remuneration paid to doctors, nurses as well as other support staff. These included salaries and wages, allowances, CPF contributions, bonuses and staff benefits.

Employee benefits increased by \$0.61 million or 13.5% from \$4.53 million in Q2 2017 to \$5.14 million in Q2 2018. The increase was mainly due to an increase in staff salaries and provision of staff bonuses.

Cost of share-based payments to employees

Share-based payments to employees related mainly to the options and performance shares that were granted on 11 May 2017 under the Company's employee share option scheme and the performance share plan respectively. It increased by \$0.06 million or 91.4% from \$0.07 million in Q2 2017 to \$0.13 million in Q2 2018. The increase was mainly due to the Company recognising the expense from 11 May 2017 onwards during Q2 2017 while the expense in Q2 2018 pertained to a full quarter.

Performance Review (cont'd)

Operating lease expense

Operating lease expense increased by \$0.07 million or 16.3% from \$0.40 million in Q2 2017 to \$0.47 million in Q2 2018. The increase was due to a new operating lease that was effected in July 2017.

Other operating expenses

Other operating expenses comprised mainly advertising and marketing expenses, directors' fees, depreciation, insurance, legal and professional fees, training fees and laboratory consumables and services.

Other operating expenses increased by \$0.07 million or 7.8% from \$0.96 million in Q2 2017 to \$1.03 million in Q2 2018. The increase was mainly due to:

- Increase in insurance, legal and professional fees aggregating to \$0.02 million; and
- Increase in overhead expenses incurred by a subsidiary, Stem Med Pte. Ltd. ("**Stem Med**") of \$0.05 million.

Share of results of associate

The Group's share of loss after tax of its associate, Hong Kong Integrated Oncology Centre Holdings Limited ("**HKH**") was \$0.19 million in Q2 2018 as compared to \$0.41 million in Q2 2017, which represented a decrease of \$0.22 million or 53.6%.

Income tax expense

Income tax expense decreased by \$0.37 million or 19.8% from \$1.86 million in Q2 2017 to \$1.49 million in Q2 2018 due to lower profits in Q2 2018. The effective tax rate for Q2 2018 and Q2 2017 were 20.3% and 19.1% respectively.

Profit after tax

The Group recorded profit after tax of \$5.83 million in Q2 2018 as compared to \$7.88 million in Q2 2017, a decrease of \$2.05 million or 26.0%. This was mainly due to a decrease in revenue and an increase in operating expenses, partially offset by a decrease in the share of loss of associate and lower income tax expense.

Review of the Group's financial position

Non-current assets

The Group's non-current assets comprised plant and equipment, investment in associate and prepaid operating expenses. Non-current assets decreased by \$0.44 million which was mainly attributable to a decrease in the carrying amount of our investment in associate pursuant to taking up the share of loss of associate of \$0.41 million for YTD 2018 as well as decrease in the carrying amount of plant and equipment of \$0.03 million.

Review of the Group's financial position (cont'd)

Current assets

Current assets comprised inventories, prepaid operating expenses, trade and other receivables and cash and short-term deposits. Current assets decreased by \$4.82 million which was attributable to the decrease in cash and short-term deposits and trade and other receivables of \$2.19 million and \$3.02 million respectively, partially offset by an increase in inventories and prepaid operating expenses of \$0.12 million and \$0.27 million respectively.

The decrease in cash and short-term deposits and trade and other receivables was mainly due to a decrease in revenue.

Current liabilities

Current liabilities comprised trade and other payables, other liabilities and income tax payable. Current liabilities decreased by \$0.47 million. Income tax payable decreased by \$0.90 million due to payment of income tax for the financial year ended 31 December 2017 offset against income tax provision in respect of the first two quarters of 2018. Trade and other payables increased by \$0.06 million mainly due to higher GST and trade payables. Other liabilities increased by \$0.37 million due to higher accrued operating expenses.

Non-current liabilities

Non-current liabilities comprised other liabilities and loan from non-controlling shareholder to a subsidiary. Non-current liabilities increased by \$1.60 million mainly due to additional loan (before any unwinding of discount adjustment) of \$2.00 million from StemCord Pte Ltd ("**StemCord**") to Stem Med. The Company and StemCord had granted additional loans (before any unwinding of discount adjustment) amounting to \$3.00 million and \$2.00 million respectively to Stem Med, thus bringing total loans (before any unwinding of discount adjustment) from the Company and StemCord to \$5.40 million and \$3.60 million respectively. As at 30 June 2018, the loan from StemCord after taking into account the unwinding of discount adjustment was some \$2.85 million.

Equity attributable to owners of the Company

The decrease was mainly attributable to final dividends paid to shareholders in respect of FY2017, offset by profits earned during the year.

Non-controlling interests

This is related to the:-

- (i) 43%, 48.7% and 65.8% non-controlling interests' share in the net equity of Stem Med, Stem Med Indonesia Pte. Ltd. and DrSG Cellular Wellness Pte. Ltd. respectively; and
- (ii) 25% non-controlling interests' share in the net equity of TalkMed Chongqing Pte. Ltd..

Review of the Group's cash flows

Operating activities

Net cash flows from operating activities for Q2 2018 amounted to \$6.55 million. This comprised operating cash flows before changes in working capital of \$7.56 million, net changes in working capital of \$0.95 million and interest received of \$0.23 million, less income tax paid of \$2.19 million. The net decrease in working capital of \$0.95 million was mainly due to a decrease in trade and other receivables of \$0.12 million, an increase in trade and other payables of \$0.28 million and other liabilities of \$0.84 million offset by an increase in inventories and prepaid operating expenses of \$0.06 million and \$0.23 million respectively.

Investing activities

Net cash flows used in investing activities of \$0.07 million was attributable to the purchase of plant and equipment by Stem Med.

Financing activities

Net cash flows used in financing activities amounted to \$16.01 million. This was attributable to the payment of final dividends of \$18.01 million to shareholders in respect of the year ended 31 December 2017, partially offset by the receipt of loan proceeds of \$2.00 million by Stem Med from StemCord.

Net decrease in cash and cash equivalents

The above resulted in a net decrease in cash and cash equivalents of \$9.53 million for Q2 2018. Cash and cash equivalents totalled \$68.86 million as at 30 June 2018.

- 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Our business is dependent to a large extent on the economic performance of Singapore and countries in South East Asia.

The Group is facing pressure on revenue from the competition arising from lower medical costs in our neighbouring countries.

11. If a decision regarding dividend has been made, the required information has been disclosed.

(a) Whether an interim (final) ordinary dividend has been declared or recommended

Interim cash dividend of \$10.00 million has been declared.

(b) (i) Amount per share

\$0.00761

(ii) Previous corresponding period

\$0.00761

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

The dividend is one-tier tax exempt.

(d) The date the dividend is payable

Dividend will be paid on 24 August 2018.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 16 Aug 2018 for the purpose of determining entitlements of ordinary shareholders to the tax exempt (one-tier) interim dividend in respect of the financial year ending 31 December 2018.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for Interested Person Transactions pursuant to Rule 920(1)(a)(ii).

14. Use of IPO proceeds

As at the date of this announcement, the use of IPO proceeds is as follows:-

Use of proceeds from the IPO	Amount Allocated \$'000	Amount Utilised \$'000	Amount Unutilised \$'000
Expanding repertoire of talent pool / healthcare services	10,381	10,381 ⁽¹⁾	-
Overseas expansion / improving quality of medical services	6,920	6,920 ⁽²⁾	-
Total	17,301	17,301	-

Note:-

(1) Comprised investments in Stem Med and HKH of \$5.78 million (of which \$3.98 million was given as a loan) and \$4.60 million⁽²⁾ respectively.

(2) Total investment in HKH by the Company amounted to \$11.52 million.

15. Confirmation pursuant to Rule 720(1)

TalkMed Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in form Appendix 7H.

16. Confirmation pursuant to Rule 705(5)

The Board of Directors hereby confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial statements of the Group and the Company for the period ended 30 June 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ang Peng Tiam
Chief Executive Officer
7 August 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581. Telephone number: (65) 6415 9886