



TALKMED GROUP LIMITED
(Company Registration No. 201324565Z)

FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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 third quarter and the nine months ended 30 September 2017 (“**Q3 2017**” and “**YTD 2017**” respectively). The comparable periods are defined as Q3 2016 and YTD 2016 respectively in this announcement.

	Q3 2017 \$'000 (Unaudited)	Q3 2016 \$'000 (Unaudited)	Increase / (Decrease) %	YTD 2017 \$'000 (Unaudited)	YTD 2016 \$'000 (Unaudited)	Increase / (Decrease) %
The Group						
Revenue	14,042	17,058	(17.7%)	46,213	50,535	(8.6%)
Other item of income						
Other income	271	268	1.1%	552	536	3.0%
Other items of expense						
Employee benefits expense	(3,731)	(4,187)	(10.9%)	(12,631)	(12,495)	1.1%
Operating lease expense	(460)	(369)	24.7%	(1,260)	(1,106)	13.9%
Other operating expenses	(1,131)	(617)	83.3%	(2,898)	(1,539)	88.3%
Share of results of associate	(394)	(1,541)	(74.4%)	(1,348)	(2,797)	(51.8%)
Profit before tax	8,597	10,612	(19.0%)	28,628	33,134	(13.6%)
Income tax expense	(1,674)	(2,142)	(21.8%)	(5,435)	(6,269)	(13.3%)
Profit for the period, representing total comprehensive income for the period	6,923	8,470	(18.3%)	23,193	26,865	(13.7%)
Attributable to:						
Owners of the Company	7,130	8,611	(17.2%)	23,794	27,173	(12.4%)
Non-controlling interests	(207)	(141)	46.8%	(601)	(308)	95.1%
Total comprehensive income for the period	6,923	8,470	(18.3%)	23,193	26,865	(13.7%)

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

The Group	Q3 2017 \$'000 (Unaudited)	Q3 2016 \$'000 (Unaudited)	Increase / (Decrease) %	YTD 2017 \$'000 (Unaudited)	YTD 2016 \$'000 (Unaudited)	Increase / (Decrease) %
Depreciation of plant and equipment	(97)	(68)	42.6%	(252)	(185)	36.2%
Interest income	249	260	(4.2%)	450	407	10.6%

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	
	30/09/2017 \$'000 (Unaudited)	31/12/2016 \$'000 (Audited)	30/09/2017 \$'000 (Unaudited)	31/12/2016 \$'000 (Audited)
ASSETS				
Non-current assets				
Plant and equipment	746	511	-	-
Investment in subsidiaries	-	-	4,113	4,113
Investment in associate	3,656	5,004	11,524	11,524
Loan to a subsidiary	-	-	2,400	-
Prepaid operating expenses	17	14	-	-
	<u>4,419</u>	<u>5,529</u>	<u>18,037</u>	<u>15,637</u>
Current assets				
Inventories	112	63	-	-
Prepaid operating expenses	156	178	36	16
Trade and other receivables	5,462	6,691	76	15,018
Cash and short-term deposits	65,345	63,996	9,828	7,741
	<u>71,075</u>	<u>70,928</u>	<u>9,940</u>	<u>22,775</u>
Total assets	<u>75,494</u>	<u>76,457</u>	<u>27,977</u>	<u>38,412</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	1,394	1,735	6	3
Other liabilities	2,786	2,018	145	160
Income tax payable	7,126	8,571	10	19
	<u>11,306</u>	<u>12,324</u>	<u>161</u>	<u>182</u>
Net current assets	<u>59,769</u>	<u>58,604</u>	<u>9,779</u>	<u>22,593</u>
Non-current liabilities				
Other liabilities	83	28	-	-
Loan from non-controlling shareholder to a subsidiary	1,600	-	-	-
	<u>1,683</u>	<u>28</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,989</u>	<u>12,352</u>	<u>161</u>	<u>182</u>
Net assets	<u>62,505</u>	<u>64,105</u>	<u>27,816</u>	<u>38,230</u>

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	
	30/09/2017 \$'000 (Unaudited)	31/12/2016 \$'000 (Audited)	30/09/2017 \$'000 (Unaudited)	31/12/2016 \$'000 (Audited)
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	211	-	211	-
Retained earnings	42,405	43,615	5,332	15,957
	62,578	63,577	27,816	38,230
Non-controlling interests	(73)	528	-	-
Total equity	62,505	64,105	27,816	38,230
Total equity and liabilities	75,494	76,457	27,977	38,412

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.

	Q3 2017 \$'000 (Unaudited)	Q3 2016 \$'000 (Unaudited)	YTD 2017 \$'000 (Unaudited)	YTD 2016 \$'000 (Unaudited)
Operating Activities				
Profit before tax	8,597	10,612	28,628	33,134
<u>Adjustments for:</u>				
Depreciation of plant and equipment	97	68	252	185
Cost of share-based payments	141	-	211	-
Interest income	(249)	(260)	(450)	(407)
Share of results of associate	394	1,541	1,348	2,797
Operating cash flows before changes in working capital	8,980	11,961	29,989	35,709

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.

	Q3 2017 \$'000 (Unaudited)	Q3 2016 \$'000 (Unaudited)	YTD 2017 \$'000 (Unaudited)	YTD 2016 \$'000 (Unaudited)
Changes in working capital				
Decrease/(increase) in inventories	1	-	(49)	-
(Increase)/decrease in prepaid operating expenses	(32)	46	19	7
Decrease in trade and other receivables	667	1,592	1,013	3,181
(Decrease)/increase in trade and other payables	(108)	87	(341)	48
Increase in other liabilities	552	402	823	807
Net changes in working capital	1,080	2,127	1,465	4,043
Cash flows from operations				
Interest received	10,060	14,088	31,454	39,752
Income tax paid	249	260	666	514
	(2,566)	(4,163)	(6,880)	(8,338)
Net cash flows from operating activities	7,743	10,185	25,240	31,928
Investing Activities				
Purchase of plant and equipment	(476)	(71)	(487)	(151)
Net cash flows used in investing activities	(476)	(71)	(487)	(151)
Financing Activities				
Dividends paid on ordinary shares	(10,002)	(14,982)	(25,004)	(30,129)
Loan from non-controlling shareholder to a subsidiary	-	-	1,600	-
Net cash flows used in financing activities	(10,002)	(14,982)	(23,404)	(30,129)
Net (decrease)/increase in cash and cash equivalents	(2,735)	(4,868)	1,349	1,648
Cash and cash equivalents at beginning of the period	68,080	56,078	63,996	49,562
Cash and cash equivalents at end of the period	65,345	51,210	65,345	51,210

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	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
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

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	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
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
Dividends 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
Profit for the period, representing total comprehensive income for the period	-	-	-	7,130	(207)	6,923
Dividends paid to shareholders	-	-	-	(10,002)	-	(10,002)
Share-based payments	-	-	141	-	-	141
Balance at 30 September 2017	22,273	(2,311)	211	42,405	(73)	62,505
Balance at 1 January 2016	22,273	(2,311)	-	36,354	1,038	57,354
Profit for the period, representing total comprehensive income for the period	-	-	-	8,608	(75)	8,533
Balance at 31 March 2016	22,273	(2,311)	-	44,962	963	65,887
Profit for the period, representing total comprehensive income for the period	-	-	-	9,954	(92)	9,862
Dividends paid to shareholders	-	-	-	(15,147)	-	(15,147)
Balance at 30 June 2016	22,273	(2,311)	-	39,769	871	60,602
Profit for the period, representing total comprehensive income for the period	-	-	-	8,611	(141)	8,470
Dividends paid to shareholders	-	-	-	(14,982)	-	(14,982)
Balance at 30 September 2016	22,273	(2,311)	-	33,398	730	54,090

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 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
Dividends paid to shareholders	-	-	(15,002)	(15,002)
Share-based payments	-	70	-	70
Balance at 30 June 2017	22,273	70	15,633	37,976
Loss for the period, representing total comprehensive income for the period	-	-	(299)	(299)
Dividends paid to shareholders	-	-	(10,002)	(10,002)
Share-based payments	-	141	-	141
Balance at 30 September 2017	22,273	211	5,332	27,816
Balance at 1 January 2016	22,273	-	16,501	38,774
Loss for the period, representing total comprehensive income for the period	-	-	(119)	(119)
Balance at 31 March 2016	22,273	-	16,382	38,655
Profit for the period, representing total comprehensive income for the period	-	-	14,884	14,884
Dividends paid to shareholders	-	-	(15,147)	(15,147)
Balance at 30 June 2016	22,273	-	16,119	38,392
Loss for the period, representing total comprehensive income for the period	-	-	(123)	(123)
Dividends paid to shareholders	-	-	(14,982)	(14,982)
Balance at 30 September 2016	22,273	-	1,014	23,287

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 30 June 2017. As at 30 September 2017 and 31 December 2016, 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	
	30/09/2017	31/12/2016
Total number of issued shares excluding treasury shares*	1,314,286,000	657,143,000

* 657,143,000 bonus shares had been allotted and issued on 9 May 2017 pursuant to the bonus issue of one (1) bonus share for one (1) existing ordinary share in the capital of the Company (the "**Bonus Shares**").

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 are no shares held as treasury shares as at 30 September 2017 and 31 December 2016.

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 2017 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.

Pursuant to the Bonus Shares issued on 9 May 2017, the aggregate number of issued shares increased from 657,143,000 to 1,314,286,000. As a result, the number of ordinary shares used in the computation of earnings per share calculations has been adjusted retrospectively as required by FRS 33.

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 (Unaudited)	Q3 2017	Q3 2016 (Restated) *	YTD 2017	YTD 2016 (Restated) *
Profit attributable to owners of the Company (\$'000)	7,130	8,611	23,794	27,173
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)	0.54	0.66	1.81	2.07
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,314,486,723	1,314,286,000	1,314,486,723	1,314,286,000
Diluted earnings per share (cents)	0.54	0.66	1.81	2.07

* Please refer to paragraph 5 above.

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	
	30/9/2017 (Unaudited)	31/12/2016 (Audited)	30/9/2017 (Unaudited)	31/12/2016 (Audited)
Net asset value attributable to owners of the Company (\$'000)	62,578	63,577	27,816	38,230
Net asset value per ordinary share at end of financial period (cents) ⁽¹⁾	4.76	9.67	2.12	5.82
Net asset value per ordinary share at end of financial period (cents) ⁽²⁾	4.76	4.84	2.12	2.91

The calculation of net asset value per ordinary share was based on:

⁽¹⁾ 657,143,000 shares and 1,314,286,000 shares at 31 December 2016 and 30 September 2017 respectively.

⁽²⁾ 1,314,286,000 shares for all periods, including the financial year ended 31 December 2016 ("FY 2016"), which had been restated to take into account the effects of the Bonus Shares issue on 9 May 2017.

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

The Group's revenue for Q3 2017 was \$14.04 million, a decrease of \$3.02 million or 17.7% from \$17.06 million for Q3 2016. The decrease was due to decreases in the number of patient visits compared to the same period last year.

Other item of income

Other income

Other income comprised interest received on fixed deposits, government-paid childcare and maternity leave, and grant from government under Special Employment Credit.

Other income increased by \$3,000 or 1.1% in Q3 2017. The increase was mainly due to government-paid childcare and maternity leave received offset against a lower amount of interest earned on fixed deposits.

Other items of expense

Employee benefits expense

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

Employee benefits decreased by \$0.46 million or 10.9% from \$4.19 million in Q3 2016 to \$3.73 million in Q3 2017. The decrease was mainly due to a decrease in salaries incurred.

Operating lease expense

Operating lease expense increased by \$0.09 million or 24.7% from \$0.37 million in Q3 2016 to \$0.46 million in Q3 2017. The increase was due to new operating leases that were effected in Q3 2017 and Q4 2016.

Other operating expenses

Other operating expenses comprised mainly legal and professional fees, directors' fees, depreciation, overseas travel, laboratory consumable and services and cost of share-based payments.

Other operating expenses increased by \$0.51 million or 83.3% from \$0.62 million in Q3 2016 to \$1.13 million in Q3 2017. The increase pertained to:

- Cost of share-based payments of \$0.14 million that was recorded in Q3 2017;
- An increase in legal and professional fees, training costs, overseas travelling expenses and insurance aggregating \$0.06 million; and
- An increase in overhead expenses incurred by a subsidiary, Stem Med Pte. Ltd. ("**Stem Med**") of \$0.31 million.

Performance Review (cont'd)

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 \$0.39 million in Q3 2017 as compared to \$1.54 million in Q3 2016, which represented an improvement of \$1.15 million.

Income tax expense

Income tax expense decreased by \$0.47 million or 21.8% from \$2.14 million in Q3 2016 to \$1.67 million in Q3 2017 due to lower profits in Q3 2017. The effective tax rate for Q3 2017 and Q3 2016 were 19.5% and 20.2% respectively.

Profit after tax

The Group recorded profit after tax of \$6.92 million in Q3 2017 as compared to \$8.47 million in Q3 2016. The decrease of \$1.55 million or 18.3% was mainly due to a decrease in revenue, higher operating expenses offset by a decrease in the share of loss of associate.

Review of the Group's financial position

Non-current assets

The Group's non-current assets comprised mainly plant and equipment, investment in associate and prepaid operating expenses. Non-current assets decreased by \$1.11 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 \$1.35 million during the year offset by an increase in plant and equipment of \$0.24 million which was mainly due to the purchase of plant and equipment by Stem Med.

Current assets

Current assets comprised inventories, prepaid operating expenses, trade and other receivables and cash and short-term deposits. Current assets increased by \$0.15 million which was attributable to the increase in cash and short-term deposits of \$1.35 million and inventories of \$0.05 million, partially offset by a decrease in prepaid operating expenses of \$0.02 million and trade and other receivables of \$1.23 million.

The increase in cash and short-term deposits was mainly attributable to cash flows from operating activities while the decrease in 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 \$1.02 million. Trade and other payables decreased by \$0.34 million due to lower GST and trade payables. Income tax payable decreased by \$1.45 million due to the payment of FY2016 income tax in 2017 offset by income tax provision in respect of the first three quarters of 2017. Other liabilities increased by \$0.77 million due to an increase in accrued operating expenses.

Non-current liabilities

Non-current liabilities comprised other liabilities and loan from a non-controlling shareholder to a subsidiary. Non-current liabilities increased by \$1.66 million which was mainly attributable to the loan of \$1.60 million from StemCord Pte. Ltd. ("**StemCord**") to Stem Med. The Company and StemCord had granted loans amounting to \$2.40 million and \$1.60 million respectively to Stem Med in proportion to their existing shareholding percentages in Stem Med.

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

Equity attributable to owners of the Company

The decrease was mainly attributable to final and interim dividends paid to shareholders in respect of FY2016 and the financial year ending 31 December 2017 ("FY2017") respectively, offset by profits earned during the year.

Non-controlling interests

This related to the:-

- (i) 40%⁽¹⁾ and 46%⁽²⁾ non-controlling interests' share in the net equity of Stem Med and Stem Med Indonesia Pte. Ltd. ("SMI") respectively; and
- (ii) 25% non-controlling interests' share in the net equity of TalkMed Chongqing Pte. Ltd..

Note:-

(1) StemCord owns 40% of Stem Med.

(2) Stem Med owns 90% of SMI. By virtue of the Company's 60% interest in Stem Med, the Company effectively owns 54% of SMI and the remaining 46% falls within the definition of non-controlling interests accordingly.

Review of the Group's cash flows

Operating activities

Net cash flows from operating activities for Q3 2017 amounted to \$7.74 million. This comprised operating cash flows before changes in working capital of \$8.98 million, net changes in working capital of \$1.08 million, interest received of \$0.25 million, less income tax paid of \$2.57 million. The net decrease in working capital of \$1.08 million was mainly due to a decrease in trade and other receivables of \$0.67 million and an increase in other liabilities of \$0.55 million offset by an increase in prepaid operating expenses of \$0.03 million and a decrease in trade and other payables of \$0.11 million.

Investing activities

Net cash flows used in investing activities of \$0.48 million for Q3 2017 was attributable to the purchase of plant and equipment by Stem Med.

Financing activities

Net cash flows used in financing activities for Q3 2017 was \$10.00 million. This was for the payment of interim dividends in respect of FY2017 to shareholders that was declared in the quarter ended 30 June 2017.

Net decrease in cash and cash equivalents

The above resulted in a net decrease in cash and cash equivalents of \$2.74 million for Q3 2017. Cash and cash equivalents totalled \$65.35 million as at 30 September 2017.

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 appreciation of the Singapore dollar vis-à-vis the currencies as well as the economic conditions of neighbouring countries.

The above circumstances as well as Dr Ang Peng Tiam's eight-month suspension from end July 2017 will have a material impact on the Group's revenue and earnings.

- 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

The Company does not recommend or declare any dividend for the financial period ended 30 September 2017.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(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)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(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.

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 September 2017.

- 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 are 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	8,804 ⁽¹⁾	1,577
Overseas expansion / improving quality of medical services	6,920	6,920 ⁽²⁾	-
Total	17,301	15,724	1,577

Note:-

- (1) Comprised investments in Stem Med and Hong Kong Integrated Oncology Centre Holdings Limited (“HKH”) of \$4.20 million (of which \$2.40 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 September 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ang Peng Tiam
Chief Executive Officer
7 November 2017

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. Telephone number: (65) 6415 9886