



UPDATE ON THIRD PARTY APPLICATION TO ADD THE COMPANY AS A PARTY TO LEGAL PROCEEDINGS

The Board of Directors (the "**Board**") of TalkMed Group Limited (the "**Company**") refers to:

- (a) the Company's announcement of its full yearly results dated 15 February 2022, which made reference to the disposal of its entire 55.2% stake in Stem Med Pte. Ltd. ("**Stem Med**") to Edge Capital Fund SP2 Pte. Ltd. ("**ECF**") (the "**Divestment**"); and
- (b) the Company's announcement dated 5 February 2024 in relation to the application by ECF to seek permission from the Court to file an application to add the Company as a party to legal proceedings commenced by Stem Med in the High Court of Singapore ("**Proceedings**").

Pursuant to the Divestment in October 2021, Stem Med ceased to be a subsidiary of the Company. The other vendors in the Divestment were Dr Leong See Odd ("**Dr Leong**"), Dr Teo Cheng Peng ("**Dr Teo**") and StemCord Pte Ltd ("**StemCord**") (together with the Company, the "**Vendors**").

On 21 September 2023, Stem Med commenced the Proceedings in the High Court of Singapore against nine defendants for, among others, breaches of fiduciary duties, breaches of lease agreements and conspiracy. In addition to Dr Leong, Dr Teo and StemCord, Dr Ang Peng Tiam (Chief Executive Officer and Executive Director of the Company) and Dr Khoo Kei Siong (alternate director to Dr Ang Peng Tiam), are also among the defendants.

The Company is *not* a defendant to Stem Med's alleged claims in the Proceedings.

In October 2023, Dr Leong, Dr Teo and StemCord issued third party notices in the Proceedings against ECF. Pursuant to the third party notices, on 27 December 2023, Dr Leong, Dr Teo and StemCord filed their respective Statements of Claim against ECF (as third party) in the Proceedings. The claims against ECF relate to, among others, breach of a Sale and Purchase Agreement dated 14 October 2021 ("**SPA**") executed in connection with the Divestment.

On 18 January 2024, ECF filed counterclaims against Dr Leong, Dr Teo and StemCord ("**3P Counterclaims**") in the Proceedings. The 3P Counterclaims relate to alleged breaches of the SPA and a letter of undertaking signed by Dr Leong and Dr Teo ("**LOU**") in relation to the Divestment. ECF has also alleged that the defendants in the 3P Counterclaims are liable for misrepresentations contained in the LOU.

The Board wishes to update that on 20 February 2024, ECF filed an application to include the Company as a defendant to the 3P Counterclaims ("**Joinder Application**"). The Joinder Application was allowed by the Court on 19 March 2024.

The reliefs sought by ECF in the 3P Counterclaims are for declarations that the Vendors had made misrepresentations in relation to certain clauses of the LOU and damages to be assessed for such alleged misrepresentations. ECF has also sought declarations that the Vendors breached the LOU and the SPA and for damages to be assessed for such alleged breaches. ECF's position is that the Vendors (including the Company) are jointly and severally liable to ECF for alleged misrepresentations and/or breaches of the SPA and/or the LOU.

The Board is making this announcement to update its shareholders of these developments. The potential financial impact of the 3P Counterclaims, if any, cannot be quantified at this stage as ECF has not specified the amount that they are seeking in unliquidated damages.

The Company intends to rigorously defend the 3P Counterclaims and is seeking legal advice.

The Company will make further announcements to update its shareholders as and when there are any further material updates to this matter.

By Order of the Board

Ang Peng Tiam
Chief Executive Officer
19 March 2024

