2021
ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr S. Chandra Das
(Non-Executive Chairman and
Independent Director)

Dr Ang Peng Tiam
(Executive Director and
Chief Executive Officer)

Dr Khoo Kei Siong
(Executive Director and
Chief Operating Officer)

Mr Sitoh Yih Pin
(Independent Director)

Mr Dan Yock Hian
(Independent Director)

Mr Lim Jen Howe
(Non-Executive Director)

Mr Lim Teong Jin George
(Non-Executive Director)

Ms Leong Ching Ching
(Non-Executive Director)

AUDIT AND RISK COMMITTEE

Mr Sitoh Yih Pin (Chairman)
Mr Dan Yock Hian
Mr Lim Jen Howe

REMUNERATION COMMITTEE

Mr S. Chandra Das (Chairman)
Mr Sitoh Yih Pin
Ms Leong Ching Ching

NOMINATING COMMITTEE

Mr S. Chandra Das (Chairman)
Dr Ang Peng Tiam
Mr Dan Yock Hian

COMPANY SECRETARIES

Mr Lee Boon Yong
Mr Lim Heng Chong Benny
Ms Jacqueline Anne Low

REGISTERED OFFICE

101 Thomson Road
#09-02 United Square
Singapore 307591
Telephone No. : (65) 6258 6918
Facsimile : (65) 6258 0648
Website : www.talkmed.com.sg

PRINCIPAL PLACE OF BUSINESS

3 Mount Elizabeth
Mount Elizabeth Hospital Level 2
Singapore 228510

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

SPONSOR

Hong Leong Finance Limited
16 Raffles Quay
#01-05 Hong Leong Building
Singapore 048581

AUDITOR

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

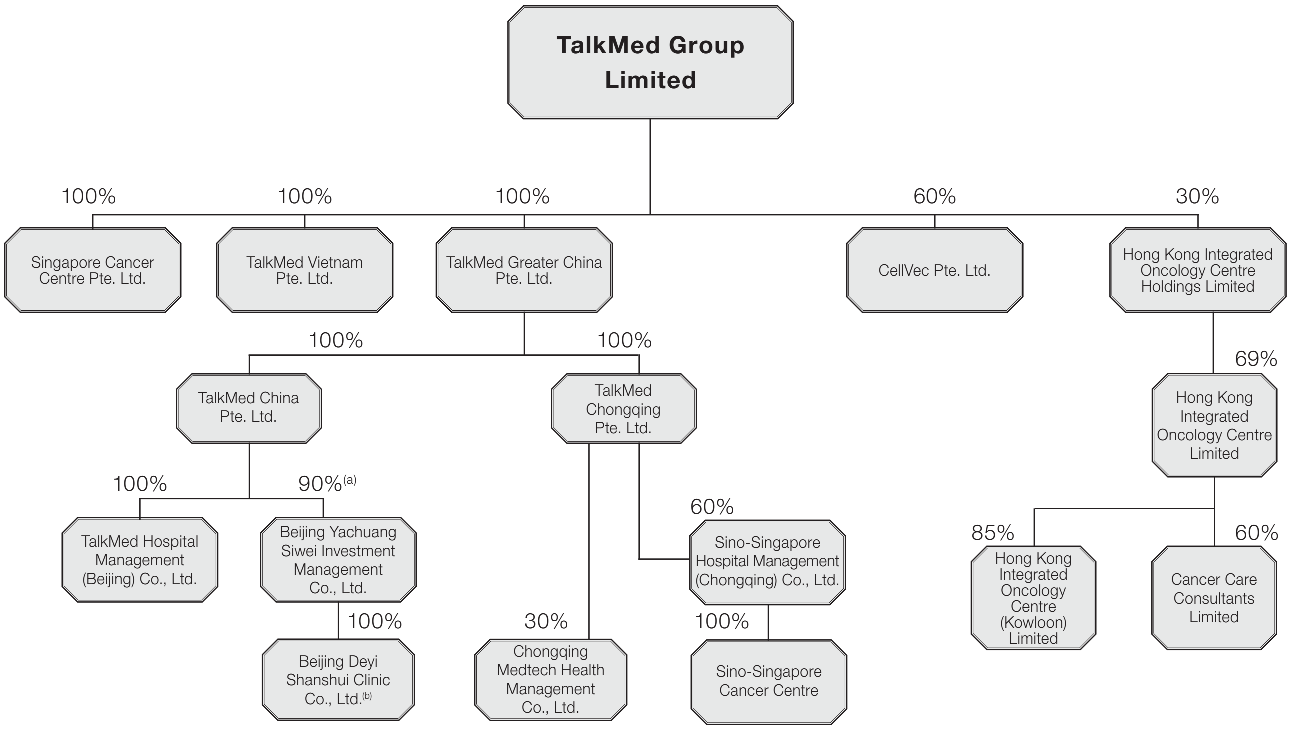
Partner-in-charge: Ms Ho Shyan Yan (appointed since the financial year ended 31 December 2018)
Chartered Accountant,
a member of the Institute of Singapore Chartered Accountants

PRINCIPAL BANKER

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#06-00 OCBC Centre
Singapore 049513

CORPORATE PROFILE

TalkMed Group Limited ("**TalkMed**") was incorporated on 10 September 2013 in Singapore and listed on the Catalist board of Singapore Exchange Securities Trading Limited on 30 January 2014. TalkMed and its group of companies (collectively, the "**Group**") is primarily a premier provider of medical oncology, stem cell transplants and palliative care services, serving patients in Singapore and the region. Outside Singapore, the Group operates in Vietnam and Hong Kong as well as the People's Republic of China which the Group started operations during the second half of 2021. The Group structure as of March 2022[(1)] is as follows:



(a) The Group exercises control over and derives economic benefits from the remaining 10% interest in the entity through contractual arrangements.
(b) Operates TalkMed Shanshui Medical Centre.

ABOUT SINGAPORE CANCER CENTRE PTE. LTD. ("SCC")

SCC commenced operations in November 2006 and provides multidisciplinary medical oncology services, stem cell transplant and palliative care services. SCC's clinical functions include attending to patients, examining and administering medical treatment to patients and performing minor outpatient surgical procedures, prescribing medicines and investigations such as laboratory tests and diagnostic procedures. These clinical functions also include the review of investigation results and follow-up care with patients.

As of March 2022, the Group has sixteen doctors operating at nine clinics in Gleneagles Hospital Singapore, Mount Elizabeth Hospital Singapore, Mount Elizabeth Medical Centre and Mount Elizabeth Novena Specialist Centre Singapore, which are operated by Parkway Hospitals Singapore Pte. Ltd.. SCC has established itself as one of the market leaders in medical tourism in Singapore with foreign patients accounting for approximately half of its patient load in the past few years. Many of our patients are from regional countries such as Indonesia, Malaysia and Vietnam.

(1) Following a strategic review of its investment in Stem Med Pte. Ltd. ("**Stem Med**") during the financial year ended 31 December 2021 ("**FY2021**"), TalkMed had disposed of its entire equity interest in Stem Med in October 2021 and accordingly, Stem Med and its subsidiaries had been excluded from the Group structure.

CORPORATE PROFILE

ABOUT TALKMED VIETNAM PTE. LTD. ("TalkMed Vietnam")

TalkMed Vietnam was set up in March 2014 and pursuant to its incorporation, it partnered with Thu Cuc International General Hospital to set up a medical centre known as Singapore Cancer Centre Thu Cuc that provides specialist medical oncology services in Hanoi, Vietnam.

ABOUT TALKMED GREATER CHINA PTE. LTD. ("TMGC")

TMGC was incorporated in November 2019 pursuant to a restructuring exercise to consolidate and streamline the Group's projects in the People's Republic of China ("**PRC**"). It is used by the Group as a vehicle to hold its current projects in Beijing and Chongqing through TalkMed China Pte. Ltd. ("**TMC**") and TalkMed Chongqing Pte. Ltd. ("**TMCQ**") respectively as well as to explore future healthcare-related projects and collaborations in the PRC.

Beijing

The Group has a 100% deemed interest in Beijing Yachuang Siwei Investment Management Co., Ltd. ("**Yachuang**"), after TMC, a wholly-owned subsidiary of the Group acquired 70% and 20% of the total issued and paid-up share capital of Yachuang in January 2020 and August 2021 respectively. The remaining 10% stake is held through contractual arrangements.

Yachuang is principally engaged in the business of investment management, hospital management, and healthcare management and consultancy (excluding diagnosis and treatment). Yachuang's wholly-owned subsidiary, Beijing Deyi Shanshui Clinic Co., Ltd., operates a private medical centre in Beijing, PRC, known as TalkMed Shanshui Medical Centre ("**TSMC**") offering premier and quality oncology services as well as ancillary services to support oncology patients in the PRC. TSMC has obtained the practice licence of medical institution in May 2021 and commenced operations in August 2021.

TalkMed Hospital Management (Beijing) Co., Ltd. ("**TMHM**") is 100% owned by TMC, and its principal activity is to provide hospital management and advisory services in the PRC.

Chongqing

TMCQ, a wholly-owned subsidiary of the Group, was incorporated with the aim to provide healthcare management services in Chongqing, PRC. TMCQ has jointly established a sino-foreign joint venture enterprise, Sino-Singapore Hospital Management (Chongqing) Co., Ltd. ("**SSHM**") in Chongqing, PRC, with Chongqing Yongchuan District People's Hospital ("**YCDPH**"). TMCQ and YCDPH hold 60% and 40% of the equity interests in SSHM respectively. Through SSHM, the Group operates a category 2A oncology hospital in the Yongchuan District, Western Chongqing, known as Sino-Singapore Cancer Centre ("**SSCC**"). SSCC obtained the practice licence of medical institution in April 2021 and commenced operations in June 2021.

In August 2021, TMCQ has also jointly established a joint venture company, Chongqing Medtech Health Management Co., Ltd. ("**CMHM**") in Chongqing, PRC, with joint venture partners, Chongqing Yijiasheng Pharma Technology Co., Ltd. ("**CYPT**") and Chongqing Tuozhen Information Technology Co., Ltd. ("**CTIT**"). CMHM's principal activity is to assist partner hospitals in the PRC to establish internet hospitals and operate their internet pharmacies. TMCQ, CYPT and CTIT hold 30%, 51% and 19% of the equity interest in CMHM respectively.

CORPORATE PROFILE

ABOUT CELLVEC PTE. LTD. ("CellVec")

CellVec was incorporated on 8 August 2018 and is primarily engaged in the provision of cellular and gene therapy related products and services, with a focus on the development of novel platform viral vector technologies that strive to advance genetic modification of cellular therapy. The Group holds a 60% stake in CellVec.

ABOUT HONG KONG INTEGRATED ONCOLOGY CENTRE HOLDINGS LIMITED ("HKH")

HKH is the controlling shareholder of Hong Kong Integrated Oncology Centre Limited ("**HKIOC**"), which provides a comprehensive range of services with the concept of "Total Cancer Care" and "Tumor Board Approach" through its day care medical centres. The services include cancer prevention, screening, imaging and diagnosis, multidisciplinary cancer treatment (including in-patient treatment and radiotherapy through its strategic partnership with Hong Kong Adventist Hospital) and after-treatment care in Hong Kong. The Group owns an effective interest of 20.7% in HKIOC. HKIOC currently operates out of three clinics that are located on Hong Kong island and in Kowloon with ten clinical oncologists and three radiologists.

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**") of TalkMed Group Limited ("**TalkMed**" or the "**Company**") and its group of companies (collectively, the "**Group**"), I am honoured to present our annual report for the financial year ended 31 December 2021 ("**FY2021**").

FY2021 continued to be plagued by the COVID-19 pandemic, and despite the global roll-out of vaccination, the emergence of the Delta and highly transmissible Omicron variants led to continued global travel restrictions and reinstatement of various social distancing measures. The Group thus faced challenges as it was negatively impacted by widespread travel restrictions, given that foreign patients from the Southeast Asian region and medical tourism form a substantial part of the Group's patient-load.

Despite the inevitable disruption to its business operations, the Group responded with resilience and delivered a profit after tax of S$21.43 million for FY2021, improving by 15.7% year-on-year ("**yoy**"). Subsequently, the Group recorded net cash inflow from operations of S$23.16 million in FY2021, bringing total cash position to S$82.16 million as at 31 December 2021, compared to S$79.43 million a year ago. In view of the Group's relatively stronger financial performance and stable financial position, the Board has recommended a final dividend of S$0.009 per share. Together with the interim cash dividend of S$0.007 per share, the Group will be paying out S$0.016 per share for FY2021 (FY2020: S$0.0135 per share), equivalent to a total pay-out of 84.7% based on the Group's diluted earnings per share.

Financial Review

The Group recorded a marginal decline in revenue to S$60.75 million in FY2021 from S$62.14 million in FY2020 mainly due to the decrease in revenue from oncology services as the number of patient visits fell. Underpinned by its track record and reputation in oncology services, the Group's oncology services in Singapore, which are delivered by a strong team of 15 highly qualified and experienced specialists, contributed to 98.4% of the Group's total revenue.

Revenue contribution from stem cell processing and storage services, provided by Stem Med Pte. Ltd. ("**Stem Med**"), declined by S$0.11 million to S$0.80 million in FY2021. The Company performed a strategic review of its investment in Stem Med during FY2021 and decided that it would be in the best interests of the Group to dispose of its entire equity interest in Stem Med (the "**Divestment**"). The Divestment was subsequently carried out in October 2021 following which a gain on disposal of S$996,000 was recorded in FY2021.

The Group's 60% owned subsidiary, CellVec Pte. Ltd. ("**CellVec**"), which provides cellular and gene therapy related products and services, saw an increase in revenue of S$0.08 million to record S$0.20 million in FY2021. Notwithstanding the negative impact of the COVID-19 pandemic on the cellular and gene therapy industry, the Group did not record any impairment loss during FY2021 compared to S$3.41 million of impairment loss that was recorded against the plant and equipment of CellVec in FY2020.

The Group's share of loss after tax from the Group's associate, Hong Kong Integrated Oncology Centre Holdings Limited ("**HKH**"), narrowed from S$1.04 million in FY2020 to S$0.06 million in FY2021, mainly due to a growth in caseloads during FY2021. With a zero-COVID strategy in Mainland China and Hong Kong, cross-border travel restrictions continue to remain in place and have severely limited the number of foreign patients, particularly those from mainland China, who seek treatment at our Hong Kong centres. HKH continues to focus on treating local patients while awaiting the lifting of travel restrictions and has seen encouraging results in FY2021. We are cautiously confident that as travel restrictions are lifted, we will begin to see meaningful recovery in our Hong Kong operations, and we remain committed to improving our operating performance as well as to build up the brand image of HKH.

MESSAGE TO SHAREHOLDERS

The Group's total operating expenses (including employee benefits, share-based payments, operating lease expense, finance costs and other operating expenses) of S$31.85 million remained stable in FY2021 as compared to S$32.22 million in FY2020. Consequently, the Group recorded a 15.7% yoy improvement in profit after tax to S$21.43 million in FY2021. Diluted earnings per share improved from 1.72 Singapore cents in FY2020 to 1.89 Singapore cents in FY2021. The Group continues to be in a strong financial position with net cash of S$82.16 million and remains committed to ensuring stable dividend returns for our shareholders.

Scaling our business

Our business operations in the People's Republic of China ("**PRC**"), a market which the Group focuses on due to its strong underlying demand for higher-quality healthcare, witnessed a couple of milestones in FY2021 and I will be elaborating more below.

In Chongqing, I am pleased to share that the Group has set up Sino-Singapore Cancer Centre ("**SSCC**") through Sino-Singapore Hospital Management (Chongqing) Co., Ltd., its 60%-owned joint venture. Operating on a total gross floor area of about 11,000 square metres, SSCC is a category 2A oncology hospital with a capacity of 150 beds, which provides a comprehensive suite of services from cancer diagnosis to cancer treatments as well as post-treatment care. SSCC obtained the practice licence of medical institution in April 2021 and commenced operations in June 2021. Besides being a part of the China-Singapore (Chongqing) Connectivity Initiative, the establishment of SSCC is a milestone for the Group, making it our first investment in the PRC to offer the Group's medical oncology services to patients in the PRC.

In Beijing, through its 100% effective interest in Beijing Deyi Shanshui Clinic Co., Ltd. ("**BDSC**"), the Group set up TalkMed Shanshui Medical Centre ("**TSMC**"). TSMC operates on a gross floor area of approximately 1,100 square metres, offering private premier and quality oncology treatment as well as support services for oncology patients, with key services such as cancer diagnosis and precision treatment, cancer treatment with fast-track access to Singapore's healthcare system, and rehabilitation services, amongst others. It obtained the practice licence of medical institution in May 2021 and commenced operations in August 2021, making Beijing the second PRC city in which the Group operates in.

Leveraging our track record and expertise in high quality oncology and healthcare services to our patients in Singapore and the region, the Group will continue to pursue growth in the PRC.

Outlook

The Group continues to experience multiple headwinds in our efforts to ramp up the operations of our PRC centres due to strict restrictions put in place by the government to contain the COVID-19 pandemic. Such measures have curtailed the movements of patients from other cities in China to seek treatments at our centres, negatively impacting patient load.

The set-up of a Vaccinated Travel Lane ("**VTL**") between Singapore and various countries/cities could lead to more patients seeking treatments at our centres but following the emergence of the highly transmissible Omicron variant and a spike in community cases in Singapore, it remains uncertain if the set-up of VTLs would translate into a significant increase in patient load for our clinics. As China adheres to a zero COVID-19 policy, it also remains unclear as to when restrictive measures in China would be eased and the Company will continue to monitor the situation closely and remains committed to navigating these challenging times.

MESSAGE TO SHAREHOLDERS

The Group remains confident in its underlying value in the long term and as a result, has applied to undertake the proposed transfer of the listing of the Company from the Catalist Board to the Mainboard of the Singapore Exchange. The Board is of the view the transfer to Mainboard would enhance the long-term value for all shareholders given that Mainboard-listed companies are usually accorded with a higher valuation. This will also allow the Company to gain access to a wider and more diverse investor base, increasing visibility for the Company which could result in better liquidity and improvement in the performance of its shares.

Appreciation

The front-line workers, especially those within the healthcare sector have worked tirelessly to keep communities safe during this pandemic and I would like to express our deepest appreciation for their hard work and dedication. We will continue to prioritise the safety of our employees, our patients, the communities in which we operate in and will continue to strictly adhere to relevant regulations and safe distancing measures at our clinics.

On behalf of the Board, I would like to extend a warm welcome to Ms. Leong Ching Ching as Non-Independent Non-Executive Director. She has also been appointed as a member of the Remuneration Committee and given her expertise, I believe that she will be able to provide invaluable insights to the Board.

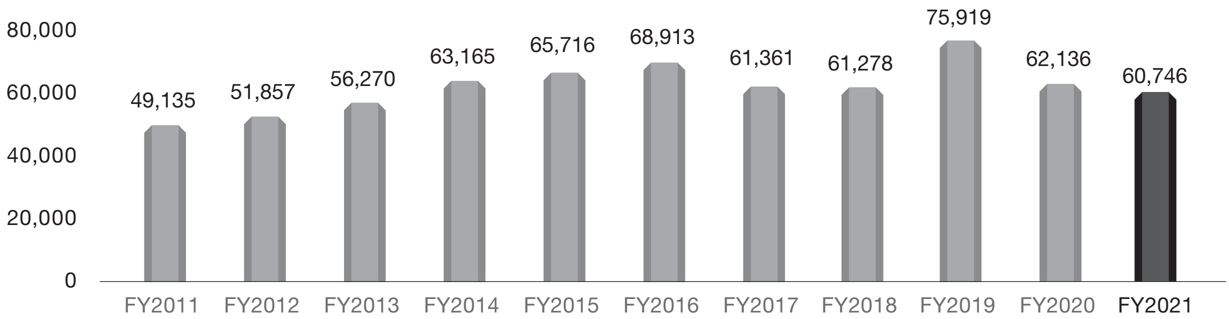
Lastly, I would like to take this opportunity to express my sincere appreciation to all stakeholders for their steadfast support and our shareholders for their unwavering confidence in the Group. Our achievements are the result of a collective commitment and dedication from our board of directors and management team, as well as our doctors' dedication to the well-being of our patients.

The Group has shown great resilience during these unprecedented times, and we remain confident that as we pivot from a pandemic to an endemic world, we will be able to accelerate our growth and create sustainable value and returns for all our stakeholders.

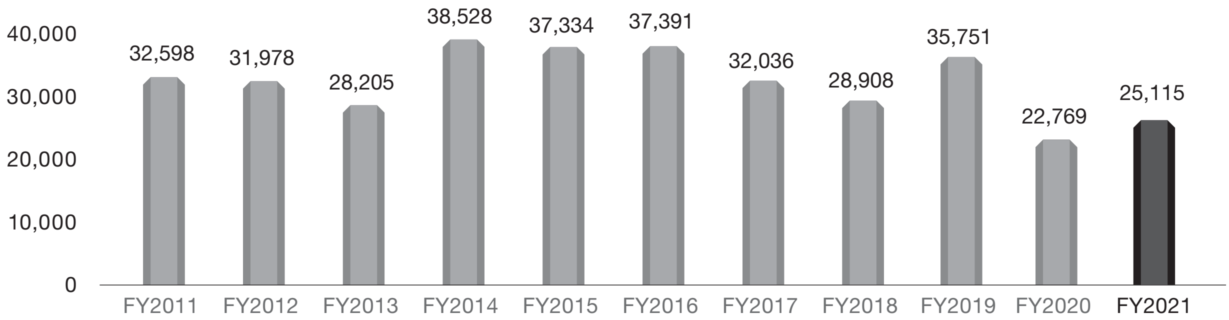
Mr S. Chandra Das
Chairman

FINANCIAL & OPERATIONS HIGHLIGHTS

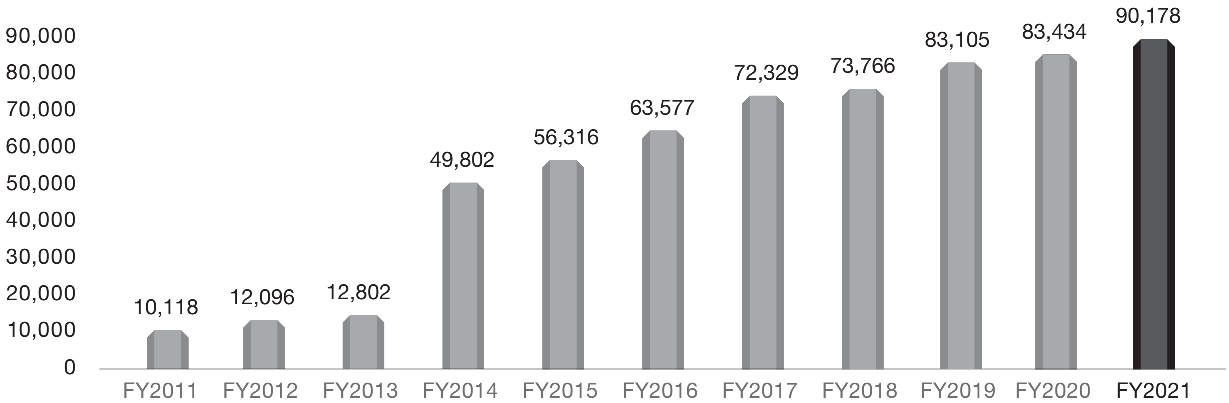
REVENUE (S$'000)



PROFIT ATTRIBUTABLE TO SHAREHOLDERS (S$'000)



TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS (S$'000)



NUMBER OF CLINICS	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
	6	7	7	8	8	9	8	9	9	9	9

NUMBER OF DOCTORS	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
	8	8	12	12	13	13	14	15	15	14	15

BOARD OF DIRECTORS

MR S. CHANDRA DAS, 82

Non-Executive Chairman and Independent Director

Mr S. Chandra Das joined the board as Non-Executive Chairman and Independent Director on 23 December 2013. His continued appointment as Independent Director was approved at the Annual General Meeting of the Company on 20 April 2021. Mr Das is also the Chairman of both our Remuneration and Nominating Committees. He is currently the Managing Director of NUR Investment & Trading Pte Ltd. He is an Independent and Non-Executive Director of Hanwell Holdings Limited as well as a director of Pacific International Lines (Private) Ltd. Currently, he is Singapore's Non-Resident High Commissioner to Sri Lanka and Pro-Chancellor at Nanyang Technological University (NTU).

Mr Das was the Chairman of the Trade Development Board from 1983 to 1986 and Chairman of NTUC Fairprice from 1993 to 2005. He served as a Member of Parliament from 1980 to 1996.

He graduated from the then University of Singapore (now known as the National University of Singapore) in 1965 with a Bachelor of Arts (Hons) in Economics and holds a Certificate-in-Education from the former Singapore Teachers' Training College.

Mr Das has won several awards and accolades in his career including the Distinguished Service Award in 2001 and the Distinguished Service (Star) Award in 2005, both awarded by the National Trades Union Congress. He was also conferred Honorary Doctorates by University of Newcastle, Australia and by St John's University, New York, in 2005. In 2014, as the Ambassador (Non-Resident) to Turkey, Mr Das was awarded the Public Service Star (Bintang Bakti Masyarakat).

Mr Das' other principal commitments (including directorships) are as follows:

- Goodhope Asia Holdings Ltd
- Myanmar Singapore Plantation Limited
- Embassy Property Developments Limited, India
- Hong Kong Integrated Oncology Centre Holdings Limited, Hong Kong
- Gashubunited Holding Private Limited

BOARD OF DIRECTORS

DR ANG PENG TIAM, 63

Executive Director and Chief Executive Officer (CEO)

Dr Ang Peng Tiam is our Executive Director and CEO and he was first appointed to our Board on 10 September 2013, and was last re-appointed as a director on 20 April 2020. He is a member of the Nominating Committee. Dr Ang provides the vision and the strategic direction for our Group. Dr Ang is currently Medical Director and Senior Consultant of Parkway Cancer Centre at Mount Elizabeth Hospital, where he provides the clinical and operational leadership in the provision of care and treatment for cancer patients.

From 1991 to 1997, Dr Ang was the Founding Head of Department of Medical Oncology at Singapore General Hospital, Singapore's oldest and largest tertiary acute hospital and national referral centre. He held a concurrent post of Clinical Associate Professor of Medicine from National University of Medicine since 1996. He began his training in Medical Oncology at Singapore General Hospital in 1986 and continued his training as a Fellow in Medical Oncology at the University of Texas, MD Anderson Cancer Centre in Houston, Texas in 1989 and at the Division of Oncology at Stanford University in Palo Alto, California in 1989. Dr Ang started his career as an Internal Medicine Resident in the National University Hospital after serving as Medical Staff Officer at the Medical Services Headquarters in the Singapore Armed Forces.

Dr Ang holds a Bachelor of Medicine and Surgery from the University of Singapore and a Master of Medicine (Internal Medicine) from the National University of Singapore. He also holds a Certificate of Specialist Accreditation in Medical Oncology from the Ministry of Health (Singapore). Dr Ang holds fellowships in many institutions. He is a Fellow of the Academy of Medicine (Singapore), the American College of Physicians (USA), the Royal College of Physicians (Edinburgh) and the Royal College of Physicians (London).

Dr Ang's academic achievements include President's Scholarship (1977), Prof Sir Gordon Arthur Ransome Gold Medal (1986), and National Science Award (1996).

Dr Ang's other principal commitments (including directorships) are as follows:

- Singapore Cancer Centre Pte. Ltd.
- P.T. Ang Medical Services Pte Ltd
- Oldham Enterprise Pte Ltd
- StemCord Pte Ltd
- ACS (International)
- Ladyhill Holdings Pte. Ltd.
- Ladyhill Properties Limited
- TalkMed Vietnam Pte. Ltd.
- Stem Med Pte. Ltd.
- Singapore Cancer and Oncology Centre
- Hong Kong Integrated Oncology Centre Holdings Limited, Hong Kong
- Hong Kong Integrated Oncology Centre Limited, Hong Kong
- TalkMed China Pte. Ltd.
- TalkMed Chongqing Pte. Ltd.
- CellVec Pte. Ltd.
- TalkMed Greater China Pte. Ltd.
- Sino-Singapore Hospital Management (Chongqing) Co., Ltd.
- The Anglo-Chinese Schools Foundation Limited

BOARD OF DIRECTORS

DR KHOO KEI SIONG, 60

Executive Director and Chief Operating Officer (COO)

Dr Khoo Kei Siong is our Executive Director and COO and was first appointed to our Board on 10 September 2013, and was last re-appointed as a director on 25 April 2019. Dr Khoo is currently the Deputy Medical Director and Senior Consultant of Parkway Cancer Centre at Gleneagles Hospital, where he provides the clinical and operational leadership in the provision of care and treatment for cancer patients.

From 1999 to 2004, Dr Khoo was a Senior Consultant at the National Cancer Centre, one of the leading regional centres for the research and treatment of cancer. During his tenure, he held senior management positions including the Director of the Division of Clinical Trials and Epidemiological Sciences (1999 to 2002) and Head of the Department of Medical Oncology (2001 to 2004). He started his career as a resident in Singapore General Hospital ("**SGH**") in 1989. After attaining his postgraduate qualification in internal medicine, he pursued further training in medical oncology in SGH and the Memorial Sloan-Kettering Cancer Center in New York.

Dr Khoo holds a Bachelor of Medicine and Surgery from the University of Singapore and a Master of Medicine (Internal Medicine) from the National University of Singapore. He also holds a Certificate of Specialist Accreditation in Medical Oncology from the Ministry of Health (Singapore). He is a Fellow of the Royal College of Physicians (Edinburg) and a Fellow of the Academy of Medicine (Singapore) where he also served as Assistant Master from 2015-2020. He is a member of the American Society of Clinical Oncology and the European Society of Medical Oncology. In addition, he is the council member of the Asian Clinical Oncology Society.

Dr Khoo sits on the Medical Board of Eu Yan Sang Integrative Health as Chairman and is Deputy Chairman of the Medicine Advisory Committee of the Health Sciences Authority.

Dr Khoo's other principal commitments (including directorships) are as follows:

- Singapore Cancer Centre Pte. Ltd.
- AYSUS Pte. Ltd.
- TalkMed Vietnam Pte. Ltd.
- Stem Med Pte. Ltd.
- Stem Med Indonesia Pte. Ltd.
- Hong Kong Integrated Oncology Centre Holdings Limited, Hong Kong
- Hong Kong Integrated Oncology Centre Limited, Hong Kong
- TalkMed China Pte. Ltd.
- TalkMed Chongqing Pte. Ltd.
- CellVec Pte. Ltd.
- TalkMed Greater China Pte. Ltd.
- TalkMed Hospital Management (Beijing) Co., Ltd.
- Beijing Yachuang Siwei Investment Management Co., Ltd.

BOARD OF DIRECTORS

MR SITOH YIH PIN, 58

Independent Director

Mr Sitoh was first appointed to our Board as an Independent Director of the Company on 23 December 2013. His continued appointment as Independent Director was approved at the Annual General Meeting of the Company on 20 April 2021. Mr Sitoh serves as Chairman of the Audit and Risk Committee and is also a member of the Remuneration Committee. Mr Sitoh does not hold any shares in the Company or any of its subsidiaries.

Mr Sitoh is a Chartered Accountant. He is the Member of Parliament for Potong Pasir constituency.

Mr Sitoh is also presently an Independent and Non-Executive Director of Yeo Hiap Seng Limited.

Mr Sitoh holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and is a Fellow member of both the Institute of Singapore Chartered Accountants and Chartered Accountants Australia and New Zealand.

Mr Sitoh's other principal commitments are as follows:

Directorships in companies within his firm
- Nexia TS Pte Ltd
- TSA Capital Pte Ltd
- TSA Recruitment Consultants Pte Ltd
- NTS Asia Advisory Pte Ltd
- Nexia China Pte Ltd
- Nexia TS Risk Advisory Pte Ltd
- Nexia TS Tax Services Pte Ltd
- Nexia TS Technology Pte Ltd
- Nexia TS Advisory Pte Ltd
- NTS Asia Advisory Sdn Bhd
- NTS Myanmar Company Limited

Other directorships and appointments
- Potong Pasir Grassroots Organisations – Advisor
- PAP Community Foundation – Potong Pasir Branch Chairman
- Jalan Besar Town Council – Vice Chairman
- Central Community Development Council – Council Member
- People's Action Party – Potong Pasir Branch Chairman
- China Taiping Insurance (Singapore) Pte. Ltd. – Director
- Government Parliamentary Committee for Ministry of Culture, Community and Youth – Chairman
- Government Parliamentary Committee for Ministries of Law and Home Affairs – Member
- People's Association – Board of Management

MR DAN YOCK HIAN, 55

Independent Director

Mr Dan was first appointed to our Board as an Independent Director of the Company on 23 December 2013. His continued appointment as Independent Director was approved at the Annual General Meeting of the Company on 20 April 2021. Mr Dan is a member of our Audit and Risk Committee and Nominating Committee. Mr Dan runs DYH Associates, where he is a consultant in providing corporate advisory services.

He was a Senior Director at nTan Corporate Advisory Pte Ltd, a boutique corporate finance and corporate restructuring firm, from 2001 to 2009 and became its consultant from 2010 to 2012. Prior to that, he was a Senior Manager at Deloitte & Touche, one of the big four multinational professional services firms, from 1998 to 2001. Mr Dan started his career in Price Waterhouse, another multinational professional services firm belonging to the big four, from 1990 to 1998.

Mr Dan holds a Bachelor of Accountancy degree from the National University of Singapore. He is a member of the Institute of Singapore Chartered Accountants and Chartered Accountants Australia and New Zealand.

BOARD OF DIRECTORS

MR LIM JEN HOWE, 68

Non-Executive Director

Mr Lim Jen Howe is a Non-Executive Director and was first appointed to our Board on 23 December 2013, and was last re-appointed as a director on 20 April 2021. He is a member of the Audit and Risk Committee.

Mr Lim has more than 35 years of experience in finance and accounting. He has been a practising Public Accountant for more than 30 years and is a founding partner of Thong & Lim, Chartered Accountants of Singapore.

Mr Lim holds a Master of Science from London Business School, and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Singapore Chartered Accountants.

Mr Lim is also an independent director of ABR Holdings Limited and his other principal commitments in non-listed entities (including directorships) are as follows:

- Arbour Fine Art Pte Ltd
- Thong & Lim Consultants Private Limited
- Period Properties Pte Ltd
- T & L Support Services Pte. Ltd.
- Caregivers Alliance Limited
- Anglo-Chinese School Board of Governors

MR LIM TEONG JIN GEORGE, 66

Non-Executive Director

Mr George Lim is our Non-Executive Director and was first appointed to our Board on 23 December 2013, and was last re-appointed as a director on 20 April 2021. Mr Lim is a Senior Counsel, and was President of the Law Society between 1998 and 1999. He is currently a Consultant with Wee Tay & Lim LLP.

Mr Lim graduated from the National University of Singapore, and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1982. He was appointed Senior Counsel on 9 January 2010, and is currently a Senate member of the Singapore Academy of Law.

Mr Lim is a certified mediator with the International Mediation Institute, and sits on its board. He is also on the panel of arbitrators of the Singapore International Arbitration Centre (SIAC). He is the Dispute Resolution Counsellor of the National Electricity Market of Singapore, and manages the dispute management process of the electricity market.

In January 2017, Mr Lim was appointed Chairman of the Singapore International Mediation Centre. He is the co-editor of *Mediation in Singapore: A Practical Guide*.

Mr Lim's other principal commitments (including directorships) are as follows:

- Singapore International Mediation Centre
- Singapore Mediation Centre
- JRS Singapore Ltd

BOARD OF DIRECTORS

MS LEONG CHING CHING, 53

Non-Executive Director

Ms Leong Ching Ching is our Non-Executive Director and was first appointed to our Board on 1 October 2021. She is a member of the Remuneration Committee.

Ms Leong is an economist and Vice Provost (Student Life) of the National University of Singapore ("**NUS**"). She is an Associate Professor at the Lee Kuan Yew School of Public Policy.

Ms Leong is an expert on public governance, sustainability and environmental economics.

She graduated with an MA (Philosophy) and a PhD (Public Policy) from the National University of Singapore, as well as an MA (Journalism) at the University of London.

Before joining NUS, she was a journalist in both print and broadcast media, as an editor in The Straits Times and Channel NewsAsia.

KEY MANAGEMENT/EXECUTIVE OFFICERS

Our Executive Officers comprise our Executive Directors, Dr Ang Peng Tiam and Dr Khoo Kei Siong, and our Chief Financial Officer ("**CFO**"), Mr Lee Boon Yong. The particulars of Dr Ang and Dr Khoo are set out in the "Board of Directors" section.

MR LEE BOON YONG

Chief Financial Officer (CFO)

Mr Lee Boon Yong was appointed the CFO of our Group on 1 September 2014. He is responsible for overseeing the finance, accounting and regulatory compliance functions of our Group. Additionally, he leads the Group's merger and acquisition activities, as well as evaluates the Group's funding needs and options. He has more than 15 years of experience in financial auditing, corporate finance and corporate restructuring work.

Prior to joining the Group, he was an Associate Director at nTan Corporate Advisory Pte Ltd, where he advised clients which included companies listed on the Mainboard of the Singapore Exchange Securities Trading Limited on corporate restructuring plans and corporate finance matters. Mr Lee had also practised at Ernst & Young, initially in audit and later in transaction advisory, as a senior associate.

Mr Lee graduated in 2002 from the Nanyang Technological University with a Bachelor of Accountancy (Second Upper Honours). He is a member of the Institute of Singapore Chartered Accountants and Chartered Accountants Australia and New Zealand.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of TalkMed Group Limited (the "**Company**") is committed to maintaining high standards of corporate governance, business integrity and professionalism within the Company and its subsidiaries (collectively, the "**Group**") to safeguard the interests of all its stakeholders and to promote investors' confidence and support.

This report describes the Group's ongoing efforts in the financial year ended 31 December 2021 ("**FY2021**") in keeping pace with the evolving corporate governance practices and complying with the Code of Corporate Governance 2018 (the "**Code**") and the accompanying Practice Guidance to the Code. The Board confirms that the Company has complied with the principles and provisions as set out in the Code where appropriate. Where there are deviations from the Code, appropriate explanations are provided.

A. BOARD MATTERS

Principle 1 – The Board's Conduct of its Affairs

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group, puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposal, financial performance reviews, and corporate governance practices. The management ("**Management**") also plays a pivotal role in providing Board members with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

The Board recognises that its principal duties include:

- providing entrepreneurial leadership, setting the Group's strategic objectives, and ensuring that adequate financial and human resources are in place for the Group to meet its objectives;
- overseeing the process for evaluating the adequacy and integrity of the Group's internal controls, risk management, financial reporting systems and compliance;
- reviewing and monitoring the performance of Management towards achieving organisational goals and overseeing succession planning for Management;
- setting corporate values and standards for the Group (including ethical standards) to ensure that the obligations to shareholders and other stakeholders are understood and met;
- ensuring accurate and timely reporting in communication with shareholders; and
- considering sustainability issues including environmental and social factors in the Group's strategic formulation.

The Group has adopted and documented internal guidelines setting forth matters that require the Board's approval. The types of material transactions that require the Board's approval under such guidelines are listed below:

- strategies and objectives of the Group;
- annual budgets and business plan;
- announcements of quarterly (where applicable), half year and full year financial results and release of annual reports;
- issuance of shares;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders' meetings;
- investment, divestment or capital expenditure;
- commitments to term loans and lines of credit from banks and financial institutions; and
- interested person transactions.

CORPORATE GOVERNANCE REPORT

The Management is responsible for day-to-day operations and administration of the Group and is accountable to the Board. Clear directions have been given to the Management that such reserved matters must be approved by the Board.

The Board has delegated specific responsibilities to various Board committees, namely the Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (each a "**Board Committee**" and collectively, the "**Board Committees**") to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. These Board Committees are made up of mainly Non-Executive Directors and Independent Directors, each chaired by an Independent Director. Each Board Committee has its own specific written terms of reference which clearly set out its objectives, scope of duties and responsibilities (including reporting back to the Board), rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

All the meeting dates of the Board and Board Committees as well as annual general meeting ("**AGM**") have been scheduled one (1) year in advance, as far as reasonably practicable. To assist Directors in planning their attendance, the Company Secretary consults every Director before fixing the dates of these meetings. The Board meets regularly with at least four (4) scheduled meetings held on a quarterly basis within each financial year to, amongst others, approve announcements of the Group's half year, quarterly (where applicable) and full year financial results, and discuss updates or developments relating to the Group's business and/or strategic plans. Ad hoc meetings are also convened to discuss and deliberate on urgent substantive matters or issues when circumstances require. Telephonic attendance and conference via audio-visual communication at the Board and Board Committee meetings are allowed under the Company's Constitution in the event that Directors are unable to attend meetings in person. Management also has access to the Directors for guidance or exchange of views outside of the formal environment of Board meetings.

The number of meetings of the Board and Board Committees held during FY2021 and the attendance of each Director at those meetings are set out as follows:

Name of Directors	Board No. of meeting		ARC No. of meeting		NC No. of meeting		RC No. of meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr S. Chandra Das	5	5	–	–	1	1	1	1
Dr Ang Peng Tiam	5	5	–	–	1	1	–	–
Dr Khoo Kei Siong	5	5	–	–	–	–	–	–
Mr Sitoh Yih Pin	5	5	4	4	–	–	1	1
Mr Dan Yock Hian	5	5	4	4	1	1	–	–
Mr Lim Jen Howe	5	5	4	4	–	–	–	–
Mr Lim Teong Jin George(1)	5	5	–	–	–	–	1	1
Ms Leong Ching Ching(2)	5	1	–	–	–	–	–	–

Notes:

(1) Mr Lim Teong Jin George ceased to be a member of the RC with effect from 1 October 2021.

(2) Ms Leong Ching Ching was appointed as a Non-Independent Non-Executive Director and a member of the RC in place of Mr Lim Teong Jin George on 1 October 2021.

CORPORATE GOVERNANCE REPORT

The Board ensures that, where applicable, incoming new Directors are given comprehensive and tailored induction on joining the Board including onsite visits, if necessary, to get familiarised with the business of the Group and corporate governance practices upon their appointment and to facilitate the effectiveness in discharging their duties. Newly-appointed Directors will be provided a formal letter setting out their duties and obligations. The Group conducts a comprehensive orientation programme, which is presented by the Chief Executive Officer ("**CEO**") and/or other members of Management, to familiarise new Directors with business and corporate governance policies. The orientation programme gives Directors an understanding of the Group's businesses to enable them to assimilate into their new roles. The programme also allows the new Directors to get acquainted with Management, thereby facilitating Board interaction and independent access to Management. All Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities to participate in the relevant training courses, seminars and workshops as relevant and/or applicable at the Company's expense. The Board is regularly briefed on recent changes to the accounting standards and regulatory updates. The CEO updates the Board at each meeting on business and strategic developments of the Group, where applicable. In addition, the NC will ensure that any new Director appointed by the Board, who has no prior experience as a director of an issuer on the SGX-ST, undergoes mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

During FY2021, Ms Leong Ching Ching was appointed as a Non-Independent and Non-Executive Director of the Company on 1 October 2021. As she had no prior experience as a director of an issuer listed on the SGX-ST, she has attended the mandatory trainings, Listed Entity Directors Programmes ("**LED**") 1 to 4, as well as LEDs 5 to 8 thus far. She will be attending the remaining mandatory training, Environmental, Social and Governance Essentials, in June 2022.

The Directors have separate and independent access to the Management and the Company Secretary at all times. The Company Secretary attends all of the Board meetings and is responsible to the Board for advising on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

The Directors, either individually or as a group, in the furtherance of their duties, can take independent professional advice, if necessary, at the Company's expense.

Principle 2 – Board Composition and Guidance

The Board currently comprises eight (8) Directors, six (6) of whom are Non-Executive Directors with three (3) of them being independent. The profiles of the Directors are set out on pages 9 to 14 of this annual report. The current members of the Board and their membership on the Board Committees of the Company are as follows:

Name of Directors	Board Membership	ARC	NC	RC
Mr S. Chandra Das	Independent Non-Executive Chairman	–	Chairman	Chairman
Dr Ang Peng Tiam	Executive Director & CEO	–	Member	–
Dr Khoo Kei Siong	Executive Director & Chief Operating Officer ("**COO**")	–	–	–
Mr Sitoh Yih Pin	Independent Non-Executive Director	Chairman	–	Member
Mr Dan Yock Hian	Independent Non-Executive Director	Member	Member	–
Mr Lim Jen Howe	Non-Independent Non-Executive Director	Member	–	–
Mr Lim Teong Jin George(1)	Non-Independent Non-Executive Director	–	–	–
Ms Leong Ching Ching(2)	Non-Independent Non-Executive Director	–	–	Member

Notes:

(1) Mr Lim Teong Jin George ceased to be a member of the RC with effect from 1 October 2021.

(2) Ms Leong Ching Ching was appointed as a Non-Independent Non-Executive Director and a member of the RC in place of Mr Lim Teong Jin George on 1 October 2021.

CORPORATE GOVERNANCE REPORT

The size and composition of the Board and the Board Committees as well as the skill and core competencies of its members are reviewed annually by the NC, taking into account the scope and nature of operations of the Company, to ensure that there is an appropriate balance of skills and experience. These competencies include banking, accounting and finance, legal, business acumen, management experience, industry knowledge, familiarity with regulatory requirements and knowledge of risk management. The NC is of the view that the present composition and Board size of eight (8) is appropriate for the Group's present scope of operations to facilitate decision-making and the Board possesses the necessary balance and diversity of competencies, experience and knowledge to lead and govern the Group effectively, foster constructive debate, and avoid groupthink. Further, no individual or small group of individuals dominates the Board's decision-making process.

The Board recognises that board diversity is an essential element contributing to a well-functioning and effective Board, as well as the sustainable development of the Group. As such, the Board has in place a Board Diversity Policy, the objectives of which are to promote and enhance the decision-making process of the Board through the perspectives derived from the professional expertise, business experience, industry discipline, skills, knowledge, gender, age, educational background, ethnicity and culture, length of service, and other diverse qualities of the Board members. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of its members, the NC will consider the various aspects of board diversity, and set practical timelines to implement the policy. It will also report to the Board on an annual basis on the progress made in promoting and achieving its board diversity objectives. In recognition of the importance and value of gender diversity, the NC had set a target to appoint a female director to the Board by the end of FY2021, and is pleased to have met this timeline with the appointment of Ms Leong Ching Ching as Non-Independent Non-Executive Director on 1 October 2021. The Board will, on a continuing basis, review the relevant aspects of diversity of its members to ensure they serve the needs and plans of the Company and the Group.

The NC is tasked to determine on an annual basis and as and when the circumstances require, whether or not a Director is independent, bearing in mind the Principles and Provisions set forth in the Code, and any other salient factor which would render a Director to be deemed not independent. For the purpose of determining the Directors' independence, every Director has provided declaration of their independence that is deliberated upon by the NC and the Board. Each of the Independent Directors has confirmed that he does not have any relationship (including those provided in Provision 2.1 of the Code) with the Company and its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interest of the Group. The NC has reviewed, determined and confirmed the independence of the Independent Directors (with each Independent Non-Executive Director abstaining from the discussion and decision-making process with respect to the assessment of his independence). Each of the Independent Directors has also confirmed his independence.

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, a Director will not be independent if he/she has served for an aggregate period of more than nine (9) years (whether before or after listing) and his/her continued appointment as an Independent Director has not been sought and approved in separate resolutions by (a) all shareholders and (b) shareholders, excluding the Directors and CEO of the issuer, and associates of such Directors and CEO ("**Two-Tier Voting**"). Such resolutions approved by a Two-Tier Voting may remain in force for three years from the conclusion of the AGM following the passing of the resolutions or the retirement or resignation of the Director, whichever is the earlier.

Given that each of the Independent Directors' tenure will reach nine (9) years in 2022, the Board has adopted the Two-Tier Voting process ahead of Catalist Rule 406(3)(d)(iii) which came into effect on 1 January 2022. At the AGM held on 20 April 2021, approval of the shareholders was sought through a Two-Tier Voting process for Mr S. Chandra Das, Mr Sitoh Yih Pin and Mr Dan Yock Hian to continue in office as Independent Non-Executive Directors of the Company.

At the forthcoming AGM, Mr Sitoh Yih Pin, who is retiring by rotation under Regulation 91 of the Company's Constitution, will also be subject to the Two-Tier Voting process to seek shareholders' approval for his continued appointment as an Independent Director of the Company.

CORPORATE GOVERNANCE REPORT

As six (6) out of eight (8) Directors are Non-Executive Directors, the requirement of the Code that Non-Executive Directors should make up a majority of the Board is satisfied. There are three (3) Independent Directors, which makes up at least one-third of the Board and provides a strong and an independent element on the Board. This is fundamental to good corporate governance as it ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

The Board and Management fully appreciate that an effective and robust Board, whose members engage in open and constructive debate, and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. The Independent Directors and Non-Executive Directors meet regularly, when required, without the presence of Management. The Chairman provides feedback to the Board after such meetings as appropriate.

The Board should also aid in the development of strategic proposals and oversee effective implementation by the Management to achieve set objectives.

For this to happen, the Board and the Non-Executive Directors, in particular, must be kept well-informed of the Group's businesses and be knowledgeable about the industry in which the Group operates.

To ensure that the Non-Executive Directors are well-supported by accurate, complete and timely information, the Non-Executive Directors have unrestricted access to Management as and when the need arises.

Principle 3 – Chairman and CEO

The Chairman and the CEO functions in the Company are assumed by different individuals. The Chairman, Mr S. Chandra Das, is an Independent Non-Executive Director, while the CEO, Dr Ang Peng Tiam, is an Executive Director.

There is a clear division of responsibilities between the Chairman and the CEO, which ensures a balance of power and authority at the top of the Company.

The Chairman:

- is responsible for leadership of the Board and is pivotal in creating the conditions for overall effectiveness of the Board, Board Committees and individual Directors;
- takes a leading role in the Company's drive to achieve and maintain high standards of corporate governance with the full support of the Directors, Company Secretary and Management;
- approves agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of agenda items;
- promotes an open environment for debates and ensures Non-Executive Directors are able to speak freely and contribute effectively;
- exercises control over the quality, quantity and timeliness of information flow between the Board and Management;
- provides close oversight, guidance, advice and leadership to the CEO and Management; and
- plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management at AGMs and other shareholders' meetings.

CORPORATE GOVERNANCE REPORT

Whereas the CEO, as the highest ranking executive officer of the Group, is responsible for:

- running the day-to-day business of the Group, within the authorities delegated to him by the Board;
- ensuring the implementation of policies and strategies across the Group as set by the Board;
- day-to-day management of the Management team;
- ensuring that the Chairman is kept apprised in a timely manner of issues faced by the Group and of any important events and developments; and
- leading the development of the Group's future strategies including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

The Board does not have a lead independent director given that the Chairman is independent and the majority of the Board are non-executive directors.

Principle 4 – Board Membership

The NC consists of two (2) Independent Non-Executive Directors and one (1) Executive Director. Accordingly, the majority of the members of the NC, including the NC Chairman, are independent:

Mr S. Chandra Das	(Independent Non-Executive Chairman)	–	Chairman
Mr Dan Yock Hian	(Independent Non-Executive Director)	–	Member
Dr Ang Peng Tiam	(Executive Director)	–	Member

The NC will meet at least once a year and one (1) NC Meeting was held in FY2021. The NC, which has written terms of reference, is responsible for making recommendations to the Board on all Board appointments and re-appointments (including alternate Directors, if applicable). The key terms of reference of the NC include the following:

- determining the process for search, nomination, selection and appointment of new Board members and assessing nominees or candidates for appointment and re-election to the Board;
- making recommendations to the Board on the nomination of retiring Directors and those appointed during the year standing for re-election at the Company's AGM, having regard to the Director's contribution and performance and ensuring that all Directors submit themselves for re-election at regular intervals;
- reviewing the Board structure, size and composition regularly and making recommendation to the Board, where appropriate;
- reviewing the Board succession plan for Directors (in particular, the Chairman), CEO, COO and Chief Financial Officer ("**CFO**");
- determining the independence of Directors annually (taking into account the circumstances set out in the Code and other salient factors);
- developing a process for assessing and evaluating the effectiveness of the Board as a whole and the Board Committees and the contribution of each individual Director to an effective Board;
- deciding on how the Board's performance may be evaluated and to propose objective performance criteria for the Board's approval;
- reviewing training and professional development programmes for the Board; and
- determining whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations.

CORPORATE GOVERNANCE REPORT

In reviewing succession plans, the NC is mindful of the Company's strategic priorities and the factors affecting its long-term success. In relation to Directors, the Nominating Committee strives to maintain an optimal Board composition by considering the trends affecting the Group, reviewing the skill sets and experience required, and identifying gaps which includes considering whether there is an appropriate level of diversity of thought. In relation to key management personnel, the NC takes a keen interest in how key talent is managed within the organisation, including the mechanisms for identifying strong candidates and developing them to take on senior positions in the future. Different time horizons are considered for succession planning to identify competencies needed for the Company's long-term strategy and objectives, the orderly replacement of Board members and key management personnel in the medium term, where necessary as well as contingency planning, for preparedness against sudden and unforeseen changes.

The Board, through the NC, reviews annually the effectiveness of the Board as a whole and its required mix of skills and experience and other qualities, including core competencies, which Directors should bring to the Board.

The NC has in place a formal process for the selection and appointments of new Directors and re-appointment of Directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment, as well as to advance the Company's objective of promoting board diversity. In identifying potential new Directors, the NC will use various channels in searching for appropriate candidates such as through Directors' and Management's personal networks, Singapore Institute of Directors and professional consultants. The NC will consider the various aspects of board diversity, including gender diversity, before making a recommendation to the Board. The NC will evaluate the suitability of the nominee or candidate based on his/her qualifications, business and related experience, commitment, gender, age, ability to contribute to the Board's process and such other qualities and attributes that may be required by the Board. A stringent due diligence process will be performed on every nominee or candidate which will include, among others, whether each candidate has fully discharged his/her duties and obligations during his/her previous directorship of an SGX-listed company, whether the candidate had previously served on the board of companies with adverse track record or a history of irregularities and if the candidate is or was under investigation by professional associations or regulatory authorities. The NC will seek clarifications on relevant matters that would have a bearing on the candidate's suitability for appointment. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his/her contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's businesses and affairs) and his/her independence (where applicable). The Board will ensure that the selected candidate is aware of the expectations and the level of commitment required. The Board, on the recommendation of the NC, appoints new Directors. All new Directors who are appointed by the Board are subject to re-election at the next AGM but shall not be taken into account in determining the number of Directors who are retiring by rotation at such meeting.

Pursuant to the Company's Constitution, one-third of the Directors shall retire from office and be re-elected at least once every three (3) years at each AGM. Dr Ang Peng Tiam, Dr Khoo Kei Siong and Mr Sitoh Yih Pin will be retiring and seeking re-election at the forthcoming AGM in accordance with Regulation 91 of the Company's Constitution. Ms Leong Ching Ching, who was appointed as Non-Independent Non-Executive Director on 1 October 2021, will cease to hold office at the forthcoming AGM in accordance with Regulation 97 of the Company's Constitution, and has offered herself for re-election at the forthcoming AGM (Dr Ang Peng Tiam, Dr Khoo Kei Siong, Mr Sitoh Yih Pin and Ms Leong Ching Ching are collectively referred to as the "**Retiring Directors**").

In making the recommendations, the NC considers the overall contribution and performance of the Retiring Directors. Dr Ang Peng Tiam, being a member of the NC, had abstained from the deliberation process in respect of his own nomination and assessment.

Based on the recommendation of the NC, the Board (save for the respective Retiring Directors who abstained from the deliberation process in respect of their own re-election) proposes to the Company's shareholders to approve the re-election of each Retiring Director as Director of the Company.

CORPORATE GOVERNANCE REPORT

Mr Sitoh Yih Pin confirms that there is no relationship whether familial, business, financial, employment or otherwise with the Company, its related corporations, substantial shareholders, or any officers, which could interfere or be perceived to interfere with his independent judgement. Each of the Retiring Directors also confirms that there is no conflict of interest (including any competing business) with the Company, and has submitted his undertaking to the Company (in the format set out in Appendix 7H) under Rule 720 (1) of the Catalist Rules of the SGX-ST.

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments.

Despite some of the Directors having other board representations and other principal commitments, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. In making this determination, the NC had considered the respective Director's actual conduct and effectiveness on the Board, and the time and attention given by each of them to the affairs of the Company. As a guide, the Board has determined that the Directors should not hold more than five (5) listed company board representations. There is no alternate Director on the Board.

Key information of each member of the Board including his/her directorships and chairmanships in other listed companies, other principal commitments, academic/professional qualifications, membership/chairmanship in Board Committees, date of first appointment and last re-election, are set out under the "Board of Directors" section of this annual report.

For Retiring Directors, information of their other principal commitments (as defined in the Code) including past directorships (in both listed and non-listed entities) for the last five (5) years is also disclosed in "Additional Information on Directors Seeking Re-election or Continued Appointment" of this annual report.

Other information relating to the Retiring Directors as required by Rule 720 (5) of the Catalist Rules of the SGX-ST are disclosed under the sections headed "Board of Directors", "Directors' Statement", "Notice of Ninth Annual General Meeting" and "Additional Information on Directors Seeking Re-election or Continued Appointment" in this annual report.

Principle 5 – Board Performance

The Board has implemented a process carried out by the NC for assessing the effectiveness of the Board as a whole, effectiveness of its Board Committees and the contribution by each individual Director to the effectiveness of the Board on an annual basis.

Board performance criteria

The performance criteria for the board evaluation are as follows:

- board size and composition;
- board independence;
- board processes;
- board information and accountability;
- board performance in relation to discharging its principal functions; and
- board committees' performance in relation to discharging their responsibilities set out in their respective terms of reference.

CORPORATE GOVERNANCE REPORT

Individual Director's performance criteria

The individual Director's performance criteria are categorised into five (5) segments; namely, the following:

- interactive skills (whether the Director works well with other Directors and participates actively);
- knowledge (the Director's industry and business knowledge, functional expertise, whether the Director provides valuable inputs, the Director's ability to analyse, communicate and contribute to the productivity of meetings, and understanding of finance and accounts, are taken into consideration);
- Director's duties (the Director's Board Committee work contribution, whether the Director takes his/her role as Director seriously and works to further improve his/her own performance, whether he/she listens and discusses objectively and exercises independent judgement, and the Director's meeting preparation, are taken into account);
- availability (the Director's attendance at Board and Board Committee meetings, whether the Director is available when needed, and his/her informal contribution via email, telephone, written notes, etc. are considered); and
- overall contribution, bearing in mind that each Director was appointed for his/her strength in certain areas which taken together provides the Board with the required mix of skills and competencies.

The assessment of the Chairman of the Board is based on his ability to lead, whether he has:

- established proper procedures to ensure the effective functioning of the Board;
- ensured that the time devoted to Board meetings was adequate (in terms of number of meetings held in a year and duration of each meeting) for effective discussion and decision-making by the Board;
- ensured that information provided to the Board was adequate and timely for the Board to make informed and considered decisions;
- guided discussions effectively so that there was timely resolution of issues;
- ensured that meetings were conducted in a manner that facilitated open communication and meaningful participation; and
- ensured that Board Committees were formed where appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.

The performance of individual Directors is taken into account in their re-appointment. Specific needs which arise from time to time are taken into account in any appointment of new Directors.

The NC, having reviewed the overall performance of the Board and the respective committees in terms of its roles and responsibilities and the conduct of its affairs as a whole, as well as each individual Director's performance, is of the view that the performance of the Board, the respective committees and each individual Director has been satisfactory.

B. REMUNERATION MATTERS

Principle 6 – Procedures for Developing Remuneration Policies
Principle 7 – Level and Mix of Remuneration

Matters relating to the remuneration of the Board, key Management personnel and other employees who are related to the controlling shareholders and/or Directors (if any) are handled by the RC, whose primary function is to develop formal and transparent policies on remuneration matters in the Company. The RC also ensures that the Company's remuneration system is appropriate to attract, retain and motivate the required talents to run the Company successfully.

Matters relating to remuneration which are required to be disclosed in the annual report have been sufficiently disclosed in this report under Principles 6, 7 and 8, and in the financial statements of the Company and of the Group.

CORPORATE GOVERNANCE REPORT

The RC consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, the majority of whom, including the RC Chairman, are independent:

Mr S. Chandra Das	(Independent Non-Executive Chairman)	–	Chairman
Mr Sitoh Yih Pin	(Independent Non-Executive Director)	–	Member
Ms Leong Ching Ching[(1)]	(Non-Independent Non-Executive Director)	–	Member

Note:

(1) Ms Leong Ching Ching was appointed as a Non-Independent Non-Executive Director and a member of the RC in place of Mr Lim Teong Jin George on 1 October 2021.

The RC will meet at least once a year. The RC carries out its duties in accordance with a set of terms of reference which mainly includes the following:

- reviewing and recommending to the Board for endorsement, a framework of remuneration policies to determine the specific remuneration packages for each Director and key Management personnel, including employees related to the Executive Directors and controlling shareholders (if any). The framework covers all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind;
- reviewing and recommending the remuneration of the Non-Executive Directors, taking into account factors such as their effort, time spent and their responsibilities;
- reviewing and determining the contents of any service contracts for any Directors or key Management personnel; and
- carrying out other duties as may be agreed by the RC and the Board, subject to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

The RC is responsible for ensuring that a formal and transparent procedure is in place for fixing the remuneration packages of each individual Director, the CEO and key Management personnel (who are not Directors or the CEO). All aspects of remuneration frameworks, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind, are reviewed by the RC to ensure that they are appropriate and proportionate to the sustained performance and value creation of the Group. The recommendations of the RC are submitted for endorsement by the Board. Such frameworks are reviewed periodically to ensure that the Directors and key Management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also considers and recommends the CEO's remuneration package including salary, bonus and benefits-in-kind for endorsement by the Board.

The RC has access to expert advice in the field of executive remuneration outside the Company with regards to remuneration matters wherever necessary. The RC will ensure that existing relationships, if any, between any of its directors or the Company and its appointed remuneration consultants, will not affect the independence and objectivity of the remuneration consultants. In FY2021, the Company did not seek any expert advice outside the Company on remuneration of its Directors.

The RC ensures that the remuneration of the Non-Executive Directors are appropriate for their level of contribution, taking into account factors such as effort and time spent, and their responsibilities. Non-Executive Directors receive a basic fee for their services. Each member of the RC abstains from voting on any resolutions in respect of his/her own remuneration package. Directors' fees are further subjected to the approval of shareholders at the AGM.

Having reviewed and considered the salary components of the Executive Directors and the key Management personnel (which are considered reasonable and commensurate with their respective job scope and level of responsibilities), the RC is of the view that there is no requirement to use contractual provisions to allow the Company to reclaim incentive components of the remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

CORPORATE GOVERNANCE REPORT

Principle 8 – Disclosure on Remuneration

Details of the remuneration of Directors and the five (5) key Management personnel (who are not also directors or the CEO) of the Group for FY2021 are set out below:

Names	Band[(1)]	Fees	Salaries[(2)]	Bonuses[(2)]	Share-based payments	Total
Directors						
Mr S. Chandra Das	1	100%	–	–	–	100%
Dr Ang Peng Tiam (CEO)	3	–	100%	–	–	100%
Dr Khoo Kei Siong (COO)	3	–	100%	–	–	100%
Mr Sitoh Yih Pin	1	100%	–	–	–	100%
Mr Dan Yock Hian	1	100%	–	–	–	100%
Mr Lim Jen Howe	1	100%	–	–	–	100%
Mr Lim Teong Jin George	1	100%	–	–	–	100%
Ms Leong Ching Ching	1	100%	–	–	–	100%
5 key Management personnel						
Mr Lee Boon Yong (CFO)	2	–	81%	14%	5%	100%
Dr Teo Cheng Peng	3	–	100%	–	–	100%
Dr Lim Hong Liang	3	–	100%	–	–	100%
Mr Liu Wei	2	–	89%	–	11%	100%
Mr Lim Chiang Chuen[(3)]	1	–	100%	–	–	100%

Notes:

(1) Band 1 means remuneration of S$250,000 and below per annum
Band 2 means remuneration of between S$250,001 and S$500,000 per annum
Band 3 means remuneration of S$500,001 and above per annum

(2) Salaries and bonuses include employer's contributions to the Central Provident Fund ("**CPF**")

(3) The Company has identified Mr Lim Chiang Chuen, Chief Financial Officer of its 60%-owned joint venture, Sino-Singapore Hospital Management (Chongqing) Co., Ltd., as a key Management personnel with effect from 1 January 2021.

The Board is of the view that it is not in the interests of the Company to disclose in full the remuneration of each individual Director, the CEO and the five (5) key Management personnel (who are not Directors or the CEO) of the Company and that the details disclosed in the table provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. In arriving at its decision, the Board took into consideration the competitive business environment which the Group operates in, the sensitive and confidential nature of such information and disadvantages that this might bring. There are no termination, retirement and post-employment benefits granted to Directors, the CEO and the five (5) key Management personnel.

In aggregate, the total remuneration (including CPF contributions thereon and bonuses) paid to the five (5) key Management personnel (who are not Directors or the CEO) during FY2021 is approximately S$1.96 million.

Save as disclosed in this report, there was no employee of the Group who was a substantial shareholder or an immediate family member of a Director, the Chairman, the CEO, or a substantial shareholder of the Company whose remuneration exceeded S$100,000 for FY2021.

CORPORATE GOVERNANCE REPORT

The Company has an employee share option scheme and a performance share plan known as the TalkMed Group Employee Share Option Scheme (the "**ESOS**") and the TalkMed Group Performance Share Plan (the "**PSP**") respectively, approved by shareholders of the Company on 28 April 2016. Details of the ESOS and the PSP can be found in the circular to shareholders dated 13 April 2016. The ESOS and the PSP are respectively administered by a committee comprising four (4) Directors, Mr S. Chandra Das, Mr Sitoh Yih Pin, Mr Lim Teong Jin George and Dr Ang Peng Tiam.

On 15 March 2021 and 14 March 2022, the Company allotted and issued 1,966,931 and 1,945,209 new ordinary shares pursuant to the vesting of the first and second tranches of performance shares of Category B and Category C employees under the PSP in 2020 respectively. On 11 May 2021, the Company allotted and issued 87,637 new ordinary shares pursuant to the vesting of the third and final tranche of performance shares awarded under the PSP in 2017.

The Company also awarded 2,500,000 ordinary shares under the PSP to the employees of the Group on 15 October 2021 (the "**Award**"), accounting for 0.19% of the issued shares of the Company as at the date of the Award. Details of the Award granted under the PSP during FY2021 can be found in the Directors' Statement and Note 7 to the financial statements. There were no share options granted under the ESOS in FY2021.

No options or share awards were granted to directors and controlling shareholders (and their associates) of the Group since the commencement of the ESOS and PSP till the end of FY2021.

C. ACCOUNTABILITY AND AUDIT

The Board recognises the importance of providing accurate and relevant information on a timely basis. In this respect, the ARC reviews all financial results announcements and financial statements and recommends them to the Board for approval. In addition, the ARC ensures that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets, as well as to manage potential risks.

Management provides all members of the Board with sufficient and timely information on its financial performance and potential issues before all Board meetings.

In line with continuous disclosure obligations of the Company and in accordance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**") and the Companies Act 1967, the Board adopts a policy whereby shareholders shall be informed of all major developments of the Company.

Financial information and other price-sensitive information are circulated in a timely manner to the shareholders through announcements via SGXNet, press releases and the Company's website. The Company's corporate information, as well as annual reports, are also available on the Company's website.

Principle 9 – Risk Management and Internal Controls

The Board is overall responsible for the governance of risk within the Group. It ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders, and determines the nature and extent of the significant risks that the Company is willing to take in achieving its strategic business objectives and value creation.

CORPORATE GOVERNANCE REPORT

The Management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems, and providing the Board with a basis to determine the Group's level of risk tolerance and risk policies. The Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls. The Board also recognises its responsibilities in ensuring a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

The Company engaged HLS Risks Advisory Services Pte. Ltd. ("**HLS**") as the internal auditors to assist the Board and the ARC in their review of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls. The Board believes that adequate internal controls within the Group are crucial to ensure that the Group continues to meet or exceed its standards in all key aspects, and at the same time, to safeguard shareholders' interest and the Group's assets through effective risk management.

A risk management assessment has been performed by the Management with the assistance of the internal auditors. On an annual basis, the ARC reviews and reports the Group's risk profile to the Board, evaluates results and counter-measures to mitigate potential risks so as to assure itself and the Board that the process is operating effectively as planned. The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units. The process identifies relevant potential risks across the Group's operations with the aim to bring them to within acceptable cost and tolerance parameters.

The Management regularly reviews and updates the Board on the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the Board and the ARC for further discussion. The Board and the ARC also work with the internal auditors and Management on their recommendations to institute and execute relevant controls with a view to managing such risks.

The Group has conducted an enterprise risk assessment, with the assistance of the internal auditors, and has developed a detailed risk register. The Group will continue to analyse, monitor and mitigate the key risk areas to ensure that the Group's risk management and internal control systems are adequate and effective.

The Board notes that no cost effective system of internal controls could provide absolute assurance against the occurrence of material errors, losses, fraud or other irregularities. In view of the above and based on the internal controls established and maintained by the Group, work performed by the internal auditors, the statutory audit conducted by the external auditors, and reviews performed by the Management, various Board Committees and the Board so far, the ARC and the Board are of the opinion that the Group's risk management and internal control systems are effective and adequate to address the financial, operational, compliance and information technology risks, based on the internal controls established and maintained by the Group and reports from the internal auditors and external auditors on the financial statements and management letter. This is in turn supported by the assurance from the CEO and the CFO that: (a) the financial records of the Group have been properly maintained and the consolidated financial statements for FY2021 give a true and fair view of the Group's and the Company's operations and finances; and (b) adequate and effective risk management and internal control systems have been put in place.

CORPORATE GOVERNANCE REPORT

Principle 10 – Audit and Risk Committee

The Board recognises the importance of providing accurate and relevant information on a timely basis. To ensure that the corporate governance is effectively practised, the Board has established self-regulatory and monitoring mechanisms, including the establishment of the ARC to ensure that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks. The ARC consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, the majority of whom, including the ARC Chairman, are independent:

Mr Sitoh Yih Pin	(Independent Non-Executive Director)	–	Chairman
Mr Dan Yock Hian	(Independent Non-Executive Director)	–	Member
Mr Lim Jen Howe	(Non-Independent Non-Executive Director)	–	Member

The Board has ensured that all members of the ARC, having the necessary accounting and/or related financial management expertise, are appropriately qualified to discharge their responsibilities.

The ARC meets on a quarterly basis and plays a key role in assisting the Board to review significant financial reporting issues and judgements to ensure the quality and integrity of the accounting reports, the audit procedures, internal controls, financial statements and any announcements relating to the Group's financial performance.

The members of the ARC carry out their duties in accordance with a set of terms of reference which mainly includes the following:

- to review with the external auditors their audit plan, audit report, management letter and the Management's response;
- to review the quarterly financial results, half year and full year financial results announcements as well as annual financial statements on significant financial reporting issues and judgements before submission to the Board for approval;
- to review any announcements relating to the Company's financial performance;
- to review annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- to discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the external auditors;
- to meet with the internal and external auditors without the presence of the Management, at least annually, to discuss any problems and concerns they may have;
- to review the assistance given by the Management to external auditors;
- to review and evaluate the assurance from the CEO and CFO on the financial records and financial statements of the Group;
- to review the adequacy, effectiveness, independence, scope and results of the Company's internal audit function (which has been outsourced to HLS);
- to review annually the adequacy, effectiveness, scope and results of the external audit and its cost-effectiveness as well as the independence and objectivity of the external auditors;
- to review the policy and arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters within its terms of reference. The ARC will lead in all queries as may be raised by the staff of the Group. The ARC will have full access to and co-operation from Management and full discretion to invite any Director or executive officer to attend its meetings. The ARC also has reasonable resources to enable it to discharge its functions properly;
- to report to the Board its findings from time to time on matters arising and requiring the attention of the ARC;
- to review Interested Person Transactions ("**IPTs**") falling within the scope of the Catalist Rules;
- to undertake such other reviews and projects as may be requested by the Board; and
- to consider the appointment/re-appointment of external auditors, the audit fee and matters relating to the resignation or dismissal of auditors.

CORPORATE GOVERNANCE REPORT

Apart from the duties listed above, the ARC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the ARC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The ARC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that Management creates and maintains an effective control environment. The ARC provides a channel of communication between the Board, Management, and the internal and external auditors on audit matters.

The ARC also has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or Executive Director to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The ARC meets with the internal and external auditors, without the presence of Management, at least once a year.

Changes to accounting standards and issues which have a direct impact on financial statements will be highlighted to the ARC from time to time by the external auditors. The external auditors work with Management to ensure that the Group complies with the new accounting standards, if applicable.

External Auditor

In evaluating the quality of the work carried out by the external auditor, Messrs Ernst & Young LLP ("**EY**"), the ARC's assessment of the performance of EY was based on EY's firm-level and engagement-level audit quality indicators ("**EY AQI Framework**"), which is in line with the requirements of the Singapore Standards on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Service Engagements*. The key elements of the EY AQI Framework include assessment on the experience and involvement of senior audit team members, training programmes and independence requirements of the team members, regular inspections by both internal and external parties (e.g. the Accounting and Corporate Regulatory Authority Practice Monitoring Programme inspections), and human resources (which takes into account, among others, attrition rates of the firm).

The ARC also reviews the independence and objectivity of the external auditors and has reviewed the scope and value of non-audit services provided to the Group by EY. The aggregate amount of audit and non-audit fees paid or payable to EY for FY2021 are as disclosed in Note 8 to the financial statements. The ARC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of EY. The ARC has recommended to the Board the nomination of EY for re-appointment as auditors of the Company at the forthcoming AGM. The Group has also complied with Rules 712 and 715 (1) of the Catalist Rules of SGX-ST in relation to the appointment of its external auditors. None of the ARC members was former partners or directors of EY or has any financial interest in EY.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the financial statements, the ARC will seek advice from the external auditors during each ARC meeting.

CORPORATE GOVERNANCE REPORT

Whistle-Blowing Policy

In order to encourage proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group, the Group has established and implemented a whistle-blowing policy. The policy sets out the procedures by which concerns about plausible improprieties in matters of financial reporting, internal controls and conflict of interest, or instances of fraud or corruption may be reported. Employees may also report on the misconduct or wrongdoings related to the Company or its officers. The ARC is responsible for oversight and monitoring of whistle-blowing. Three dedicated secured email addresses allow whistle-blowers to contact any member of the ARC to make a whistle-blowing report. The whistle-blowing policy and its procedures have been made available to all employees.

The Company's whistle-blowing policy allows employees to raise concerns and offer reassurance that the whistle-blower will be protected against detrimental or unfair treatment for whistle-blowing in good faith. All the information in the whistle-blowing report, including the identity of the employee, will be treated with strict confidentiality.

The ARC is tasked with investigating whistle-blowing reports made in good faith and in confidence, and will address any issues/concerns that are raised and follow up with the necessary investigations and/or other appropriate actions. The ARC will report to the Board all issues/concerns that it receives at the ensuing Board meeting. In the event where the ARC receives reports relating to serious offences, and/or criminal activities in the Group, the ARC and the Board shall have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

Internal Auditor

The ARC's responsibilities in relation to the Group's internal controls, which include reviewing the scope and effectiveness of the overall internal audit system, programmes and various aspects of internal controls and risk management of the Group, are complemented by the work of the internal auditors.

HLS has been engaged as the independent internal auditors to perform the internal audit function and will report their findings and where applicable, make recommendations to the ARC. The head of the internal audit team is Mr Michael Heng, a Chartered Accountant of over twenty (20) years' standing, who has relevant qualifications and internal audit experience. The internal audit team comprises qualified experienced professionals each having over ten (10) years of relevant internal audit experience.

HLS carries out their internal audit works in accordance with the Standards for the Professional Practice of Internal Auditing that are set by the Institute of Internal Auditors. The ARC ensures that the Management provides adequate support to the internal auditors which include, amongst others, access to documents, records, properties and personnel. The primary reporting line of the internal audit function is to the ARC. The internal auditors have unrestricted access to the ARC on internal audit matters so as to report any risks or control issues to the ARC. The ARC assesses whether the internal auditor's annual work plan, operating budget and other resources are sufficient for the Group's internal audit function to achieve its mandate. The ARC also reviews the internal audit reports of the Group prepared by the internal auditors at least annually. Any material non-compliance or failure in internal control and recommendations for improvements are reported to the ARC.

The ARC has reviewed the adequacy and effectiveness of the internal audit function (which is undertaken by HLS) at least annually and has ensured that it is adequately resourced and has appropriate standing within the Company to discharge its responsibilities. The ARC also reviewed the qualifications of HLS to ensure that they have the relevant qualifications and experience so that the quality of the Group's internal audit function will not be compromised. The ARC approves the hiring, removal, evaluation and compensation of HLS.

CORPORATE GOVERNANCE REPORT

D. SHAREHOLDERS' RIGHTS AND ENGAGEMENT

Principle 11 – Shareholders' Rights and Conduct of General Meetings
Principle 12 – Engagement with Shareholders

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all of the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders, are protected. The Group is committed to providing shareholders with adequate, timely and relevant information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Company believes in regular, effective and fair communication with members of the investing community and has in place an investor relations policy to provide for a mechanism through which, shareholders may communicate effectively with the Company. Shareholders may contact the Company with their questions via emails and phone calls or through enquiry forms submitted via the Company's website, and the Company will respond to such questions in a timely manner.

The Board embraces openness and transparency in the conduct of the Group's affairs, whilst safeguarding its commercial interests. Material information on the Group has been released to the public through the Company's announcements via SGXNet on a timely basis.

The Group strongly encourages shareholders' participation at the AGM. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business-related matters through dialogue sessions. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key Management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNet and posted on the Company's website.

The Company communicates with shareholders and the investing community about the Company's business development and financial performance through the timely release of announcements to the SGX-ST via SGXNet. During FY2021, half year and full year financial results of the Company and the Group were released within forty-five (45) days from the respective period ended and sixty (60) days from the financial year ended 31 December 2021. In addition, the Company's annual report is made available to shareholders through SGX announcement and the Company's website at least fourteen (14) days before the AGM. To be environmentally friendly, the Company has stopped distributing hard copies of its annual report to shareholders starting from 2021. Shareholders who wish to receive hard copies of its annual report are required to complete and submit a request form which can be found in the letter to Shareholders dated 4 April 2022 that was uploaded on SGXNet on the same date. This annual report is made available on the Company's website at the URL https://www.talkmed.com.sg/, and on SGX website at URL https://www.sgx.com/securities/company-announcements.

The Constitution of the Company allows all shareholders (members) to appoint up to two (2) proxies to attend general meetings and vote on their behalf. On 3 January 2016, the legislation was amended, amongst other things, to allow certain members, defined as "relevant intermediary", to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and the CPF Board which purchases shares on behalf of the CPF investors.

CORPORATE GOVERNANCE REPORT

As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax. Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate. All Directors, including the Chairman of the Board and the respective Chairman of the Board Committees, Management, legal professional (if required) and the external auditors are intended to be in attendance at the forthcoming AGM. All Directors had attended the AGM held on 20 April 2021. The Company is in full support of shareholders' participation at AGM. For those who hold their shares through nominee or custodial services, they are allowed, upon prior request through their nominee, to attend the AGM as observers without being constrained by the two-proxy rule.

The Company will endeavour to answer substantial and relevant queries from shareholders relating to the agenda of the meetings and publish responses from Management via its corporate website and SGXNet, prior to the closing date and time for the lodgement of the proxy form. The Company will also record the minutes of general meetings which will be published on its corporate website and on SGXNet within one month after the general meetings.

The Company has adopted poll voting by shareholders for greater transparency in the voting process. At general meetings, the appointed independent scrutineer will explain to the shareholders the rules, including the poll voting procedures that govern such general meetings. The detailed voting results of each of the resolutions tabled will be announced immediately at the meeting. The total number of votes cast for or against the resolutions and the respective percentages will also be announced immediately at the AGM and after the meeting via SGXNet.

In view of the current COVID-19 situation, the Company's AGM for FY2021 will continue to be held via electronic means. Shareholders will not be able to attend the AGM in person, but may observe the proceedings of the AGM by audio or audio-visual means. The letter to Shareholders dated 4 April 2022 has details of the alternative arrangements for the AGM including, amongst others, the processes for registration and submission of relevant questions by shareholders in advance of the AGM. Shareholders who wish to vote on any or all of the resolutions at the AGM are to appoint the Chairman of the AGM as their proxy by completing the proxy form for the AGM, and submitting the proxy form by post or by email to the Company forty-eight (48) hours before the AGM. Physical copies of the notice of the AGM, proxy form and letter to Shareholders dated 4 April 2022 will be sent to shareholders. The notice of the AGM, proxy form and letter to Shareholders dated 4 April 2022 will also be published on the Company's website at the URL https://www.talkmed.com.sg/, and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

The Company has adopted a dividend policy that it believes appropriately reflects its goals, strategy and risk profile while providing attractive long-term return to investors. The Board is recommending 0.90 Singapore cent per ordinary share for FY2021 as the final one-tier tax-exempt dividend payable to the shareholders, subject to the approval of shareholders at the forthcoming AGM. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account various factors including:

- the level of cash and retained earnings;
- the actual and projected financial performance;
- the projected levels of capital expenditure and other investment plans;
- restrictions on payment of dividends imposed on the Company by financing arrangements (if any); and
- any other factors deemed relevant by the Board.

CORPORATE GOVERNANCE REPORT

E. MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13 – Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has identified its key stakeholder groups based on their impact on the Group's business and operations.

Through various engagement initiatives, the Company was able to strengthen its relationships with its stakeholders and obtain valuable feedback. More information on the Company's engagement with its stakeholders can be found in our FY2021 Sustainability Report which will be made available via SGXNet and our Company's website by end May 2022.

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's website. The quarterly (where applicable), half year and full year financial results are also available on the Company's website. The Company's website, which is updated regularly, contains various information on the Group and the Company and serves as an important resource for shareholders and all stakeholders.

OTHER CORPORATE GOVERNANCE MATTERS

The Company has in place internal codes of conduct and practices for its Board members and employees on securities transactions while in possession of price-sensitive information and in their conduct of business activities.

DEALINGS IN SECURITIES

(Rule 1204 (19) of the Catalist Rules of SGX-ST)

The Company has adopted an internal securities code of compliance to provide guidance to the Directors and all employees of the Group with regard to dealing in the Company's securities pursuant to Rule 1204 (19) of the Catalist Rules. During FY2021, the Company issues circulars to its Directors, officers and employees on the prohibition of dealing in its shares one (1) month before the half year and full year financial results till the day of such announcements. Directors and employees are also advised against dealing in the Company's securities when they are in possession of any unpublished material price-sensitive information of the Group at all times. In addition, the Company discourages the Directors and employees from dealing in the Company's securities on short-term considerations. The Group confirmed that it has adhered to its internal securities code of compliance for FY2021.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS ("IPT")

(Rule 907 of the Catalist Rules of SGX-ST)

Details of the IPTs for FY2021 as required pursuant to Rule 907 of the Catalist Rules of SGX-ST:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Dr Ang Peng Tiam	Executive Director and CEO of the Company	202	N.A.
P.T. Ang Medical Services Pte Ltd ("**P.T. Ang**")	Dr Ang Peng Tiam is a substantial shareholder of P.T. Ang	873	N.A.
StemCord Pte Ltd ("**StemCord**")	Dr Ang Peng Tiam is a Director and a substantial shareholder of StemCord holding 17.35% stake in StemCord	452	N.A.

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company did not enter into any IPTs which require an immediate announcement or shareholders' approval under the Catalist Rules of SGX-ST regulating IPTs for FY2021.

MATERIAL CONTRACTS

(Rule 1204 (8) of the Catalist Rules of SGX-ST)

Save for the service agreements between the Company and the Executive Directors and disclosures above in the "Interested Person Transactions" section, as well as those disclosed in the Directors' Statement and the financial statements, there were no other material contracts of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

NON-SPONSOR FEES

(Rule 1204 (21) of the Catalist Rules of SGX-ST)

In compliance with Rule 1204 (21) of the Catalist Rules, there were no non-sponsor fees paid to the Company' Sponsor, Hong Leong Finance Limited, during FY2021.

CODE OF CONDUCT & PRACTICES

The Group recognises the importance of integrity and professionalism in the conduct of its business activities. Employees are expected to embrace, practise and adopt these values while performing their duties and to always act in the best interest of the Group and avoid situations that may create conflicts of interest.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of TalkMed Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Dr Ang Peng Tiam
Mr S. Chandra Das
Mr Dan Yock Hian
Dr Khoo Kei Siong
Mr Lim Jen Howe
Mr Lim Teong Jin George
Mr Sitoh Yih Pin
Ms Leong Ching Ching (appointed on 1 October 2021)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct Interest No. of ordinary shares		Deemed Interest No. of ordinary shares	
Name of director	**At the beginning of the financial year or date of appointment**	**At the end of the financial year**	**At the beginning of the financial year or date of appointment**	**At the end of the financial year**
Ordinary shares of the Company				
Dr Ang Peng Tiam	–	–	858,912,000	858,912,000
Dr Khoo Kei Siong	69,360,000	69,360,000	30,000,000	30,000,000
Mr S. Chandra Das	–	–	999,000	999,000
Ms Leong Ching Ching	180,000	180,000	120,000	120,000

By virtue of the Singapore Companies Act 1967,

(a) Dr Ang Peng Tiam is deemed to have an interest in all the shares held by the holding company, Ladyhill Holdings Pte. Ltd., in the Company;

(b) Dr Khoo Kei Siong is deemed to have an interest in the 10,000,000 and 20,000,000 shares of the Company held through Raffles Nominees (Pte.) Limited and HSBC (Singapore) Nominees Pte Ltd respectively;

(c) Mr S. Chandra Das is deemed to have an interest in all the shares held by his spouse, Rosie D/O Pillai Mrs Rosie Chandradas, in the Company; and

(d) Ms Leong Ching Ching is deemed to have an interest in the 120,000 shares of the Company held through Phillip Securities Pte Ltd.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' STATEMENT

Share options and performance shares

At the Extraordinary General Meeting held on 28 April 2016, shareholders approved the Employee Share Option Scheme ("**ESOS**") and the Performance Share Plan ("**PSP**") and for the granting of non-transferable share options and performance shares that are settled by physical delivery of the ordinary shares of the Company, to eligible employees.

The committee administering the ESOS and PSP comprises the following directors:

Dr Ang Peng Tiam
Mr S. Chandra Das
Mr Lim Teong Jin George
Mr Sitoh Yih Pin

During the year ended 31 December 2021, there were no share options granted, exercised or forfeited.

Details of the share options to subscribe for ordinary shares of the Company pursuant to the ESOS and which are outstanding as at 31 December 2021 are as follows:

Grant date	Exercisable on or after	Expiry date	Exercise price S$	Number of share options outstanding as at the beginning and end of the financial year
11 May 2017	11 May 2019	11 May 2022	0.6546	1,300,000
11 May 2017	11 May 2020	11 May 2023	0.6546	650,000
11 May 2017	11 May 2021	11 May 2024	0.6546	650,000
10 May 2019	10 May 2021	10 May 2024	0.4142	3,000,000
10 May 2019	10 May 2022	10 May 2025	0.4142	1,500,000
10 May 2019	10 May 2023	10 May 2026	0.4142	1,500,000
				8,600,000

During the year ended 31 December 2021,

- The Company granted 2,500,000 performance shares under the PSP. These performance shares will vest if the employee remains in service at the date of vesting;
- 2,054,568 performance shares vested following which 2,054,568 ordinary shares were issued; and
- No performance shares were forfeited.

DIRECTORS' STATEMENT

Share options and performance shares (cont'd)

Details of the performance shares granted by the Company pursuant to the PSP and which are outstanding as at 31 December 2021 are as follows:

Grant date	Expected to vest on	Outstanding as at 1 January 2021	Granted	Vested	Outstanding as at 31 December 2021
11 May 2017	11 May 2021	87,637	–	(87,637)	–
13 March 2020	13 March 2021	1,966,931	–	(1,966,931)	–
13 March 2020	13 March 2022	1,945,209	–	–	1,945,209
13 March 2020	13 March 2023	1,945,210	–	–	1,945,210
13 March 2020	13 March 2024	1,228,369	–	–	1,228,369
13 March 2020	13 March 2025	1,228,366	–	–	1,228,366
15 October 2021	15 October 2022	–	499,999	–	499,999
15 October 2021	15 October 2023	–	499,999	–	499,999
15 October 2021	15 October 2024	–	499,999	–	499,999
15 October 2021	15 October 2025	–	499,999	–	499,999
15 October 2021	15 October 2026	–	500,004	–	500,004
		8,401,722	2,500,000	(2,054,568)	8,847,154

The performance shares will be settled by the physical delivery of the ordinary shares of the Company.

Since the commencement of the ESOS and the PSP till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates;
- Except for 897,015 performance shares granted by a subsidiary, TalkMed China Pte. Ltd., to its employees, no options that entitle the holder to participate, by virtue of the options and the performance shares, in any share issue of any other corporation have been granted; and
- No participants have received 5% or more of the total options and performance shares available under the scheme/plan.

DIRECTORS' STATEMENT

Audit and Risk Committee

The Audit and Risk Committee ("**ARC**") performed the functions in accordance with the Singapore Companies Act 1967, including the following:

- Reviewed with the external auditors their audit plan, audit report, management letter and the response of management (the "**Management**");
- Reviewed the quarterly (where applicable), half year, full year financial results announcements and annual financial statements on significant financial reporting issues and judgements before submission to the Board for approval;
- Reviewed annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- Reviewed the assistance given by the Management to external auditors;
- Reviewed the adequacy, effectiveness, independence, scope and results of the Company's internal audit function; and
- Considered the appointment/re-appointment of external auditors, the audit fee and matters relating to the resignation or dismissal of auditors.

Further details regarding the ARC are disclosed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Dr Ang Peng Tiam
Director

Dr Khoo Kei Siong
Director

Singapore
30 March 2022

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALKMED GROUP LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TalkMed Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Key audit matters (cont'd)

Revenue – Consultancy fees

The Group determines that its promise to render consultancy services and provide specialist doctors and clinical staff and premises to Parkway Cancer Centre ("**PCC**"), a division of Parkway Hospitals Singapore Pte. Ltd., represents a single performance obligation. Revenue from the provision of such consultancy services to PCC is recognised over time as the Group concludes that PCC simultaneously receives the benefits as it performs the services.

The consultancy services revenue derived from PCC amounted to 61% of the Group's revenue. Revenue from consultancy services is computed based on the financial results of PCC in accordance with the terms and conditions of the Consultancy Restatement Agreement. The Group's consultancy revenue charged to PCC is computed based on the revenue and profit reported by PCC. We have identified this as a key audit matter due to the high volume of transactions which consequently gives rise to a risk that systematic errors or alteration of pricing could result in an error in the reported PCC's revenue and thus the Group's revenue for the year.

As part of our audit procedures, we have reviewed and obtained the Consultancy Restatement Agreement, including the revision to the Consultancy Restatement Agreement during the year, which specifies the Group's obligations and the basis of calculating the Group's consultancy revenue. We also assessed the design and tested the effectiveness of the internal controls over revenue recognition process and evaluated the appropriateness of the Group's revenue recognition accounting policies. We recomputed the reasonableness of the consultancy fees based on the financial results of PCC, including setting expectations of PCC's gross revenue and gross margin based on the number of patient visits, average billing and historical margin achieved and comparing our expectations to the consultancy fees recorded. We also considered the adequacy of the disclosures in respect of revenue in Notes 2.17(a) and 4 to the financial statements.

Impairment assessment for investments in subsidiaries and associate

As at 31 December 2021, the cost of investments in subsidiaries and associate amounted to S$19,422,000 and S$11,399,000, respectively. In accordance with SFRS(I) 1-36, management conducted an impairment assessment as there were impairment indicators as at the balance sheet date. Arising from the impairment assessment, the Group recorded an impairment loss of S$2,400,000 in respect of the Company's investment in a subsidiary.

As part of its impairment review process, management prepared value-in-use computations using a discounted cash flow model to calculate the recoverable values of its investments in subsidiaries and associate. The projection of cash flows involved various significant assumptions such as forecasted revenue, terminal growth rate and discount rate. As these assumptions required significant judgement and estimations by management, we considered the impairment assessment for the Company's cost of investments in subsidiaries and associate to be a key audit matter.

In addressing this area of focus, our audit procedures included, among others, evaluating and assessing the assumptions and methodology used by management to determine the recoverable amount of the Company's investments in subsidiaries and associate. We assessed the robustness of management's budgeting process by comparing actual historical financial performance to previously forecasted results, historical data, and the industry outlook which included the impact of COVID-19. We involved our internal specialist to assist us in assessing the reasonableness of the discount rate and terminal growth rate applied in the value-in-use calculations. We evaluated the sensitivity of management's value-in-use computation to reasonable changes in significant assumptions related to discount rate, terminal growth rate and revenue growth forecast.

We also reviewed the adequacy of the disclosures in respect of the impairment assessment in Notes 13 and 15 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ho Shyan Yan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
30 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 S$'000	Group 2020 S$'000
Revenue	4	**60,746**	62,136
Other items of income			
Interest income		**333**	709
Other income	5	**1,623**	2,184
Other items of expense			
Employee benefits expense	6	**(26,044)**	(24,375)
Share-based payments expense	7	**(512)**	(2,112)
Operating lease expense	12	**(48)**	(49)
Depreciation of right-of-use assets	12	**(2,096)**	(2,090)
Depreciation of plant and equipment	11	**(392)**	(1,423)
Finance costs	8	**(391)**	(523)
Other operating expenses		**(4,858)**	(5,158)
Impairment loss on plant and equipment	11	**–**	(3,407)
Share of results of associate		**(57)**	(1,044)
Share of results of joint ventures		**(1,018)**	(41)
Profit before tax	8	**27,286**	24,807
Income tax expense	9	**(5,858)**	(6,290)
Profit for the year		**21,428**	18,517
Profit/(loss) for the year attributable to:			
Owners of the Company		**25,115**	22,769
Non-controlling interests		**(3,687)**	(4,252)
Profit for the year		**21,428**	18,517
Earnings per share attributable to owners of the Company (cents per share)			
Basic	10	**1.90**	1.73
Diluted	10	**1.89**	1.72
Profit for the year		**21,428**	18,517
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**351**	503
Share of other reserve of associate	24	**–**	549
Other comprehensive income for the year, net of tax		**351**	1,052
Total comprehensive income for the year		**21,779**	19,569
Total comprehensive income for the year attributable to:			
Owners of the Company		**25,466**	23,821
Non-controlling interests		**(3,687)**	(4,252)
Total comprehensive income for the year		**21,779**	19,569

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group 2021 S$'000	Group 2020 S$'000	Company 2021 S$'000	Company 2020 S$'000
ASSETS					
Non-current assets					
Plant and equipment	11	**2,349**	2,015	**–**	–
Right-of-use assets	12	**6,165**	4,157	**–**	–
Investment in subsidiaries	13	**–**	–	**19,422**	15,629
Investment in joint ventures	14	**4,102**	4,811	**–**	–
Investment in associate	15	**2,242**	2,299	**11,399**	11,399
Investment securities	16	**1,093**	–	**1,093**	–
Prepaid operating expenses		**–**	25	**–**	–
Trade receivables	17	**410**	–	**–**	–
		16,361	13,307	**31,914**	27,028
Current assets					
Inventories		**772**	1,004	**–**	–
Prepaid operating expenses		**486**	584	**19**	15
Trade and other receivables	17	**9,002**	10,295	**15,212**	15,428
Cash and short-term deposits	18	**82,164**	79,430	**757**	824
		92,424	91,313	**15,988**	16,267
Total assets		**108,785**	104,620	**47,902**	43,295
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	19	**2,170**	1,982	**15**	77
Other liabilities	20	**4,218**	4,518	**218**	138
Lease liabilities	12	**1,975**	1,786	**–**	–
Income tax payable		**5,882**	9,125	**–**	–
		14,245	17,411	**233**	215
Net current assets		**78,179**	73,902	**15,755**	16,052
Non-current liabilities					
Other liabilities	20	**–**	107	**–**	–
Lease liabilities	12	**4,493**	2,690	**–**	–
Loans from non-controlling shareholder to subsidiaries	19	**2,547**	5,657	**–**	–
		7,040	8,454	**–**	–
Total liabilities		**21,285**	25,865	**233**	215
Net assets		**87,500**	78,755	**47,669**	43,080
Equity attributable to owners of the Company					
Share capital	21	**24,505**	23,905	**24,505**	23,905
Merger reserve	22	**(2,311)**	(2,311)	**–**	–
Share-based payments reserve	23	**1,446**	1,583	**1,446**	1,583
Other reserve	24	**2,807**	2,807	**–**	–
Foreign currency translation reserve	25	**564**	213	**–**	–
Retained earnings		**63,167**	57,237	**21,718**	17,592
		90,178	83,434	**47,669**	43,080
Non-controlling interests		**(2,678)**	(4,679)	**–**	–
Total equity		**87,500**	78,755	**47,669**	43,080
Total equity and liabilities		**108,785**	104,620	**47,902**	43,295

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company							
	Share capital (Note 21) S$'000	Retained earnings S$'000	Merger reserve (Note 22) S$'000	Share-based payments reserve (Note 23) S$'000	Other reserve (Note 24) S$'000	Foreign currency translation reserve (Note 25) S$'000	Non-controlling interests S$'000	Total equity S$'000
Group								
Opening balance at 1 January 2021	**23,905**	**57,237**	**(2,311)**	**1,583**	**2,807**	**213**	**(4,679)**	**78,755**
Profit for the year	**–**	**25,115**	**–**	**–**	**–**	**–**	**(3,687)**	**21,428**
Other comprehensive income								
Foreign currency translation	**–**	**–**	**–**	**–**	**–**	**351**	**–**	**351**
Other comprehensive income for the year, net of tax	**–**	**–**	**–**	**–**	**–**	**351**	**–**	**351**
Total comprehensive income for the year	**–**	**25,115**	**–**	**–**	**–**	**351**	**(3,687)**	**21,779**
Distributions to and contributions by owners								
Dividends (Note 30)	**–**	**(19,141)**	**–**	**–**	**–**	**–**	**–**	**(19,141)**
Share-based payments	**–**	**–**	**–**	**463**	**–**	**–**	**49**	**512**
Contribution of capital by non-controlling shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**2,800**	**2,800**
Capitalisation of loans from non-controlling shareholder to a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**3,282**	**3,282**
Ordinary shares issued upon vesting of performance shares	**600**	**–**	**–**	**(600)**	**–**	**–**	**–**	**–**
Changes in ownership interests in subsidiary								
Dilution in subsidiary without a loss in control	**–**	**(44)**	**–**	**–**	**–**	**–**	**44**	**–**
Disposal of a subsidiary (Note 13(c))	**–**	**–**	**–**	**–**	**–**	**–**	**(487)**	**(487)**
Closing balance at 31 December 2021	**24,505**	**63,167**	**(2,311)**	**1,446**	**2,807**	**564**	**(2,678)**	**87,500**

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company							
	Share capital (Note 21) S$'000	**Retained earnings S$'000**	**Merger reserve (Note 22) S$'000**	**Share-based payments reserve (Note 23) S$'000**	**Other reserve (Note 24) S$'000**	**Foreign currency translation reserve (Note 25) S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Group								
Opening balance at 1 January 2020	22,438	60,072	(2,311)	938	2,258	(290)	(1,414)	81,691
Profit for the year	–	22,769	–	–	–	–	(4,252)	18,517
Other comprehensive income								
Foreign currency translation	–	–	–	–	–	503	–	503
Share of other reserve of associate (Note 24)	–	–	–	–	549	–	–	549
Other comprehensive income for the year, net of tax	–	–	–	–	549	503	–	1,052
Total comprehensive income for the year	–	22,769	–	–	549	503	(4,252)	19,569
Distributions to and contributions by owners								
Dividends (Note 30)	–	(25,042)	–	–	–	–	–	(25,042)
Share-based payments	–	–	–	2,112	–	–	–	2,112
Ordinary shares issued upon vesting of performance shares	1,467	–	–	(1,467)	–	–	–	–
Contribution of capital by non-controlling shareholder	–	–	–	–	–	–	2,510	2,510
Changes in ownership interests in subsidiary								
Acquisition of non-controlling interests without a change in control	–	(306)	–	–	–	–	306	–
Effect of change in assessment of control (Note 14)	–	37	–	–	–	–	(1,829)	(1,792)
Others[1]	–	(293)	–	–	–	–	–	(293)
Closing balance at 31 December 2020	23,905	57,237	(2,311)	1,583	2,807	213	(4,679)	78,755

[1] Effect on adoption of SFRS(I) 16 by associate.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company			
	Share capital (Note 21) S$'000	Retained earnings S$'000	Share-based payments reserve (Note 23) S$'000	Total equity S$'000
Company				
Opening balance at 1 January 2021	**23,905**	**17,592**	**1,583**	**43,080**
Profit for the year, representing total comprehensive income for the year	**–**	**23,267**	**–**	**23,267**
Distributions to and contributions by owners				
Dividends (Note 30)	**–**	**(19,141)**	**–**	**(19,141)**
Share-based payments	**–**	**–**	**463**	**463**
Ordinary shares issued upon vesting of performance shares	**600**	**–**	**(600)**	**–**
Closing balance at 31 December 2021	**24,505**	**21,718**	**1,446**	**47,669**
Opening balance at 1 January 2020	22,438	28,552	938	51,928
Profit for the year, representing total comprehensive income for the year	–	14,082	–	14,082
Distributions to and contributions by owners				
Dividends (Note 30)	–	(25,042)	–	(25,042)
Share-based payments	–	–	2,112	2,112
Ordinary shares issued upon vesting of performance shares	1,467	–	(1,467)	–
Closing balance at 31 December 2020	23,905	17,592	1,583	43,080

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 S$'000	Group 2020 S$'000
Operating activities			
Profit before tax		**27,286**	24,807
Adjustments for:			
Depreciation of plant and equipment	11	**392**	1,423
Depreciation of right-of-use assets	12	**2,096**	2,090
Share-based payments expense	7	**512**	2,112
Finance costs on unwinding of discount adjustment of loans to subsidiaries	19	**172**	286
Finance costs on lease liabilities	12	**219**	237
Interest income		**(333)**	(709)
Property tax rebate and rental waiver	5	**–**	(253)
Impairment loss on plant and equipment	11	**–**	3,407
Share of results of associate		**57**	1,044
Share of results of joint ventures		**1,018**	41
Gain on disposal of a subsidiary	13	**(996)**	–
Currency re-alignment		**127**	151
Total adjustments		**3,264**	9,829
Operating cash flows before changes in working capital		**30,550**	34,636
Changes in working capital			
Decrease/(increase) in inventories		**77**	(148)
Decrease in prepaid operating expenses		**90**	19
Decrease in trade and other receivables		**697**	1,929
Increase/(decrease) in trade and other payables		**428**	(1,052)
Increase in other liabilities		**273**	1,087
Total changes in working capital		**1,565**	1,835
Cash flows generated from operations		**32,115**	36,471
Interest received		**363**	752
Interest paid on lease liabilities		**(219)**	(237)
Income tax paid		**(9,101)**	(5,713)
Net cash flows generated from operating activities		**23,158**	31,273
Investing activities			
Purchase of plant and equipment	11	**(770)**	(1,954)
Effect of change in assessment of control	14	**–**	(4,617)
Net cash outflow on disposal of a subsidiary	13	**(1,122)**	–
Investment in joint ventures	14	**(85)**	(1,875)
Net cash flows used in investing activities		**(1,977)**	(8,446)
Financing activities			
Proceeds from issuance of shares by a subsidiary to non-controlling shareholder		**2,800**	2,510
Dividends paid on ordinary shares	30	**(19,141)**	(25,042)
Payment for principal portion of lease liabilities		**(2,106)**	(1,563)
Net cash flows used in financing activities		**(18,447)**	(24,095)
Net increase/(decrease) in cash and cash equivalents		**2,734**	(1,268)
Cash and cash equivalents at 1 January		**79,430**	80,698
Cash and cash equivalents at 31 December	18	**82,164**	79,430

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

TalkMed Group Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The immediate and ultimate holding company is Ladyhill Holdings Pte. Ltd. which is incorporated in Singapore.

The registered office of the Company is at 101 Thomson Road, #09-02 United Square, Singapore 307591 and the principal place of business of the Group is at 3 Mount Elizabeth, Mount Elizabeth Hospital Level 2, Singapore 228510.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, joint ventures and associate are disclosed in Notes 13, 14 and 15 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("**SGD**" or "**S$**") and all values are rounded to the nearest thousand ("**S$'000**") as indicated.

2.2 Adoption of new and amended standards and interpretations

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 amended standards and interpretations which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– De-recognises the carrying amount of any non-controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss; and

– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

The consolidated financial statements of the Group have been prepared in accordance with RAP 12 Merger Accounting for Common Control Combinations in the absence of a Standard or an Interpretation that specifically applies to the business combination of the Company and its subsidiary, Singapore Cancer Centre Pte. Ltd. ("**SCC**"). Under this method, the Company has been treated as the holding company of SCC prior to the date of completion of the restructuring exercise in September 2013.

Pursuant to this,

– Assets, liabilities, reserves, revenue and expense of SCC are consolidated at their existing carrying amounts;

– No amount is recognised for goodwill; and

– The retained earnings recognised in the consolidated financial statements are the retained earnings of SCC. Any difference between the consideration paid or transferred and the share capital of the subsidiary, SCC, is reflected within equity as merger reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	–	2 to 10 years
Clinic equipment	–	2 years
Office equipment	–	2 to 10 years
Computers	–	2 to 3 years
Renovations	–	2 to 5 years
Laboratory equipment	–	3 to 5 years
Motor vehicle	–	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

2.10 Associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In the Company's separate financial statements, investments in associate and joint ventures are accounted for at cost less impairment losses.

The Group accounts for its investments in associate and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associate or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint ventures. The profit or loss reflects the share of results of the operations of the associate or joint ventures. Distributions received from associate or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures are eliminated to the extent of the interest in the associate or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Associates and joint ventures (cont'd)

After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate and joint ventures are prepared at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("**OCI**"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("**a 12-month ECL**"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("**a lifetime ECL**").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For loans carried at amortised cost, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the loans are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the loans. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 60 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value, assigned on a first-in-first-out basis; and mainly consist of materials used in the provision of stem cell and cellular and gene therapy related products and services.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Equity-settled compensation plans

Certain employees of the Group receive remuneration in the form of performance shares and share options as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value at the date on which the performance shares are awarded or when the share options are granted using an appropriate valuation model. This cost is recognised in profit or loss, with a corresponding increase in the share-based payments reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of performance shares and share options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period and is recognised in "Share-based payments expense" in the statement of comprehensive income.

No expense is recognised for performance shares and share options that do not ultimately vest. In the case where the performance shares and share options do not vest as the result of a failure to meet a vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The share-based payments reserve is transferred to retained earnings upon expiry of the performance shares and share options.

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Leases (cont'd)

(a) Group as a lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which the asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group, as a lessee, incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Clinics	–	2 to 10 years
Office premises	–	2 to 4 years
Laboratory premises	–	1 to 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment in accordance with the accounting policy disclosed in Note 2.8 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Leases (cont'd)

(a) Group as a lessee (cont'd)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied the Amendment to SFRS(I) 16 Leases: COVID-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in "Revenue" in the statement of comprehensive income.

2.17 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Consultancy services

The Group provides specialist doctors and clinical staff to Parkway Cancer Centre ("**PCC**"), a division of Parkway Hospitals Singapore Pte. Ltd. for the provision of specialist medical oncology services ("**consultancy services**"). Revenue from the provision of such consultancy services to PCC is recognised when the services are rendered and is computed in accordance with the terms and conditions of the Consultancy Restatement Agreement.

The Group provides consultancy services to Thu Cuc International General Hospital ("**TCH**"), to enable TCH to operate a medical centre for the provision of oncology services in Hanoi, Vietnam. Revenue from the provision of such consultancy services to TCH is recognised when the services are rendered and is computed in accordance with the terms and conditions of the profit sharing agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Revenue (cont'd)

(a) Consultancy services (cont'd)

The Group provides consultancy services to its associate, Hong Kong Integrated Oncology Centre Holdings Limited ("**HKH**") for a fixed annual fee. Revenue from the provision of such consultancy services to HKH is recognised when the services are rendered.

The Group provides consultancy services to patients in Beijing, China, through TalkMed Shanshui Medical Centre ("**TSMC**"). TSMC was set up by the Group's subsidiary, Beijing Deyi Shanshui Clinic Co., Ltd. and has commenced business operations during the year ended 31 December 2021. Revenue from the provision of such consultancy services to patients is recognised when the services are rendered.

(b) Management fees

Revenue from management fees is derived from the billing of salaries, wages and employee benefits and rental of premises incurred from the provision of specialist medical oncology services by SCC's employees and specialist doctors to PCC and all expenses incurred from the provision of consultancy services by SCC's specialist doctors to TCH. Revenue from management fees is recognised when the services are rendered.

(c) Stem cell processing and culturing services

Revenue from processing and culturing of stem cells is recognised upon completion of processing and culturing.

(d) Storage fees

Revenue arising from the storage of stem cells is accounted for on a straight-line basis over the contractual storage period and recognised in full upon release of all stem cells from storage.

(e) Cellular and gene therapy related products and services

Revenue from the manufacturing of cellular and gene therapy related products is recognised at the point in time when control of the products is transferred to the customer, generally on delivery of the products to the customer and when all criteria for acceptance have been satisfied.

Revenue from provision of cellular and gene therapy related services is recognised over time as the customers simultaneously receive the benefits as it performs the services.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss under "Other income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associate and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associate and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Taxes (cont'd)

(b) Deferred tax (cont'd)

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.20 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment assessment for plant and equipment, and investments in associate and subsidiaries

The Group assesses whether there are any indicators of impairment for its plant and equipment as well as investments in associate and subsidiaries.

Investments in associate and subsidiaries and plant and equipment, are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or cash-generating unit ("**CGU**") exceeds its recoverable amount.

Management conducts its impairment review exercise by preparing value-in-use computations using a discounted cash flow model to determine the recoverable values of the Company's investments in associate and subsidiaries, and the Group's plant and equipment. The projection of cash flows involved various significant assumptions such as forecasted revenue, terminal growth rate and discount rate.

The key assumptions applied in the determination of the recoverable amounts for the respective assets or CGUs are disclosed in Notes 13 and 15 to the financial statements.

(ii) Impairment of loans to subsidiaries

Loans to subsidiaries are assessed for expected credit losses ("**ECL**") when the Company determined that the subsidiaries are unlikely to meet the contractual cash flows of the intercompany loans. Accordingly, management will assess if there is a significant increase in credit risk and the risk of default by these intercompany debtors since the initial recognition of these loans. Where there is a significant increase in credit risk, management performs its impairment assessment based on lifetime ECL.

During the year ended 31 December 2021, the Company recorded an aggregate of S$193,000 (2020: S$8,484,000) of ECL on its loans to subsidiaries. The ECL recorded represented the Company's assessment of the likelihood of default and what management estimates to recover from these subsidiaries. Estimation of the ECL involved significant management's judgement and estimation in the area of forecasting cash flows arising from future results of the subsidiaries' operations and the discount rate used. Management's forecasting process compares the assumptions to the historical performance of the subsidiaries and considers the industry outlook, including the impact of COVID-19 on the forecasted results.

The key assumptions applied in the determination of the recoverable amounts for the loans to subsidiaries are disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. REVENUE

Disaggregation of revenue

The table below summarises information about the Group's revenue which is disaggregated by segments, geographical markets and the timing of transfer of goods or services (either at a point in time or over time).

	Group									
	Oncology services				Stem cell related products and services		Cellular and gene therapy related products and services		Total revenue	
	Consultancy services		Management fees							
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Primary geographical markets										
Singapore	**36,944**	39,029	**21,801**	21,497	**723**	729	**109**	6	**59,577**	61,261
China and Hong Kong	**758**	276	**129**	128	**–**	–	**–**	–	**887**	404
Vietnam	**84**	119	**36**	59	**6**	7	**–**	–	**126**	185
Malaysia	**–**	–	**–**	–	**35**	150	**–**	–	**35**	150
Indonesia	**–**	–	**–**	–	**9**	16	**–**	–	**9**	16
Philippines	**–**	–	**–**	–	**22**	1	**–**	–	**22**	1
Australia	**–**	–	**–**	–	**–**	–	**90**	117	**90**	117
India	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Others	**–**	–	**–**	–	**–**	2	**–**	–	**–**	2
	37,786	39,424	**21,966**	21,684	**795**	905	**199**	123	**60,746**	62,136
Timing of transfer of goods or services										
At a point in time	**–**	–	**–**	–	**702**	815	**199**	123	**901**	938
Over time	**37,786**	39,424	**21,966**	21,684	**93**	90	**–**	–	**59,845**	61,198
	37,786	39,424	**21,966**	21,684	**795**	905	**199**	123	**60,746**	62,136

Nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms

(a) Oncology services

(i) Recognition of revenue from consultancy services from Parkway Cancer Centre ("PCC"), Thu Cuc International General Hospital ("TCH"), Hong Kong Integrated Oncology Centre Holdings Limited ("HKH") and TalkMed Shanshui Medical Centre ("TSMC")

Nature of goods or services

Oncology-related consultancy services are provided to PCC, TCH and HKH and the patients of TSMC. Consultancy services rendered to PCC include provision of specialist doctors and clinical staff to PCC.

Details of these oncology-related consultancy services are as disclosed in Note 2.17(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. REVENUE (CONT'D)

Nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms (cont'd)

(a) Oncology services (cont'd)

(i) Recognition of revenue from consultancy services from Parkway Cancer Centre ("PCC"), Thu Cuc International General Hospital ("TCH"), Hong Kong Integrated Oncology Centre Holdings Limited ("HKH") and TalkMed Shanshui Medical Centre ("TSMC") (cont'd)

Timing of transfer of goods or services

Revenue from provision of consultancy services is recognised over time as the Group concludes that the customers simultaneously receive the benefits as it performs the services.

Significant payment terms

Invoices for consultancy services are issued either on a monthly or quarterly basis. These invoices are payable within 30 days.

(ii) Recognition of management fees from Parkway Cancer Centre ("PCC")

Nature of goods or services

The Group derives management fees from PCC through the billing of salaries, wages and employee benefits and rental of clinical premises.

Timing of transfer of goods or services

Revenue from management fees is recognised over time as the Group concludes that PCC simultaneously receives the benefits as it performs the services.

Significant payment terms

Invoices are issued on a monthly basis and are payable within 30 days.

(b) Stem cell related products and services

Recognition of revenue from stem cell processing, culturing and storage services

Nature of goods or services

The Group provides services related to processing, culturing and storage of stem cells through Stem Med Pte. Ltd. (disposed on 31 October 2021 and further information about the disposal is included in Note 13(c)) and these services are sold in bundled packages.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. REVENUE (CONT'D)

Nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms (cont'd)

(b) Stem cell related products and services (cont'd)

Recognition of revenue from stem cell processing, culturing and storage services (cont'd)

Nature of goods or services (cont'd)

The Group accounts for these services separately as they are assessed to be distinct, that is, the customer can benefit from the services on its own or together with other readily available resources.

The consideration for the bundled sales is allocated to the separate services based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on the prices that the Group would have charged if the services were contracted for separately.

Timing of transfer of goods or services

Revenue from sale of processing and culturing services is recognised when the promised services are delivered to the customer and all criteria for acceptance have been satisfied.

For the storage of stem cells where the Group satisfies its performance obligations over time, management has determined that a straight-line method provides a faithful depiction of the Group's performance in transferring control of the storage services to the customers, as it reflects the Group's efforts incurred to date. The measure of progress is based on period of storage to date as a proportion of the total period of storage promised.

Significant payment terms

Invoices are issued when customers sign up for the packages and are payable within 30 days.

(c) Cellular and gene therapy related products and services

Nature of goods or services

The Group provides cellular and gene therapy related services and manufactures viral vectors through its subsidiary, CellVec Pte. Ltd..

Timing of transfer of goods or services

Revenue from the manufacturing of cellular and gene therapy related products is recognised at the point in time when control of the products is transferred to the customers, generally on delivery of the products to the customer and when all criteria for acceptance have been satisfied.

Revenue from provision of cellular and gene therapy related services is recognised over time as the Group concludes that the customers simultaneously receive the benefits as it performs the services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. REVENUE (CONT'D)

Nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms (cont'd)

(c) Cellular and gene therapy related products and services (cont'd)

Significant payment terms

Invoices are issued when customers purchase the products and are payable within 30 days.

(d) Transaction price allocated to remaining performance obligations

Information relating to the aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations is presented in the table below:

	Group	
	2021	**2020**
	S$'000	**S$'000**
Transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations:		
At 1 January	**201**	185
Recognised as revenue during the year	**(94)**	(59)
Unsatisfied (or partially unsatisfied) performance obligations	**847**	75
Disposal of a subsidiary	**(179)**	–
At 31 December	**775**	201
Expected to be recognised in:		
One year or less	**775**	94
More than one year but less than five years	**–**	107
At 31 December	**775**	201

5. OTHER INCOME

	Group	
	2021	**2020**
	S$'000	**S$'000**
Government-paid childcare and maternity leave	**28**	11
Grant income from Enterprise Development Grant	**133**	167
Grant income from Wage Credit Scheme	**20**	40
Grant income from Special Employment Credit Scheme	**9**	14
Grant income from Jobs Support Scheme ("**JSS**")	**315**	1,506
Property tax rebate and rental waiver (Note 12)	**–**	253
Gain on disposal of a subsidiary (Note 13)	**996**	–
Others	**122**	193
	1,623	2,184

The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021	2020
	S$'000	S$'000
Employee benefits expense (including those employee benefits expense of directors):		
Salaries and bonuses	**24,575**	23,049
Central Provident Fund contributions	**1,311**	1,263
Other short-term benefits	**158**	63
	26,044	24,375

7. SHARE-BASED PAYMENTS EXPENSE

	Group	
	2021	2020
	S$'000	S$'000
Share-based payments expense in relation to:		
– The Company's Employee Share Option Scheme ("**ESOS**") and Performance Share Plan ("**PSP**")	**463**	2,112
– Performance shares granted by TalkMed China Pte. Ltd. to its employees	**49**	–
	512	2,112

Employee Share Option Scheme

On 11 May 2017 and 10 May 2019, the Company granted equity-settled share options to the employees of the Group under the ESOS.

The exercise price of the share options granted in 2017 was fixed at a 20% discount to the volume-weighted average price of the Company's shares between 27 March 2017 and 9 May 2017 while the exercise price of the share options granted in 2019 was fixed at a 20% discount to the volume-weighted average price of the Company's shares between 28 March 2019 and 9 May 2019. The vesting period of the share options granted in both 2017 and 2019 ranged from two years to four years from the date of grant. Upon completion of the vesting period, these share options may be exercised for a period of up to three years. The Group does not have a past practice of cash settlement for these share options.

There was no option granted or forfeited and there was no cancellation or modification to the ESOS during the years ended 31 December 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. SHARE-BASED PAYMENTS EXPENSE (CONT'D)

Employee Share Option Scheme (cont'd)

Movements of share options

The following table illustrates the number ("**No.**") and weighted average exercise prices ("**WAEP**") of, and movements in, share options during the years ended 31 December 2021 and 2020:

	2021		2020	
		WAEP		WAEP
	No.	S$	No.	S$
Outstanding at 1 January and 31 December	**8,600,000**	**0.4869**	8,600,000	0.4869
Exercisable at 31 December	**5,600,000**	**0.5258**	1,950,000	0.6546

The weighted average fair values of share options granted on 11 May 2017 and 10 May 2019 were S$0.2570 and S$0.1660 respectively.

There were no share options exercised during the years ended 31 December 2021 and 2020.

The range of exercise prices for share options outstanding at the end of the year was S$0.4142 to S$0.6546 (2020: S$0.4142 to S$0.6546). The weighted average remaining contractual life for these share options excluding remaining vesting period and including remaining vesting period was 2.2 (2020: 2.7) years and 2.5 (2020: 3.5) years respectively.

Fair value of share options granted

The fair values of the share options granted in 2017 and 2019 were estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The following table summarises the inputs to the binomial option pricing model:

	ESOS	
	2019	2017
Average dividend payout (%)	**3.89**	5.46
Expected volatility (%)	**36.16 to 37.78**	37.43 to 38.32
Risk-free interest rate (% p.a.)	**1.92 to 1.99**	1.69 to 1.90
Expected life of option from the date of grant (years)	**5 to 7**	5 to 7

The expected life of the share options was determined based on historical data and was not necessarily indicative of exercise patterns that may occur. The expected volatility reflected the assumption that the historical volatility over a period similar to the life of the share options was indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. SHARE-BASED PAYMENTS EXPENSE (CONT'D)

Performance Share Plan

On 11 May 2017, 13 March 2020 and 15 October 2021, the Company awarded equity-settled performance shares to the employees of the Group under the PSP.

The vesting period of the performance shares ranged from immediate to ten years from the date of grant. The performance share will convert into ordinary share of the Company upon completion of the vesting period (including moratorium period, as applicable). There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these performance shares.

There has been no cancellation or modification to the PSP during the years ended 31 December 2021 and 2020. During the year ended 31 December 2020, performance shares held by certain employees were forfeited upon their resignation. Accordingly, the Group wrote back an amount of S$3,500 in respect of these performance shares during the year ended 31 December 2020. There were no performance shares forfeited during the year ended 31 December 2021.

Movements of performance shares

The following table illustrates the number ("**No.**") and movements in performance shares for the years ended 31 December 2021 and 2020:

	2021 **No.**	**2020** **No.**
Outstanding at 1 January	**8,401,722**	175,270
Performance shares awarded during the year	**2,500,000**	12,000,000
Performance shares vested during the year	**(2,054,568)**	(3,553,056)
Performance shares forfeited during the year	**–**	(220,492)
Outstanding at 31 December	**8,847,154**	8,401,722

The weighted average fair values of performance shares granted on 11 May 2017, 13 March 2020 and 15 October 2021 were S$0.7395, S$0.2829 and S$0.2072 respectively. At 31 December 2021, the weighted average remaining contractual life for these performance shares was 1.8 (2020: 1.9) years.

Fair value of performance shares granted

The fair values of the performance shares granted in 2017, 2020 and 2021 under the PSP were estimated at the grant date using the expected value of shares based on dividend adjusted share price and Finnerty Put Option Model respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. SHARE-BASED PAYMENTS EXPENSE (CONT'D)

Performance Share Plan (cont'd)

Fair value of performance shares granted (cont'd)

The following table summarises the inputs to the performance share valuation model:

		PSP	
	2021	**2020**	**2017**
Average dividend payout (%)	**4.70**	5.10	5.46
Risk-free interest rate (% p.a.)	**0.320 to 0.920**	0.900 to 1.060	1.023
Expected life of performance shares from the date of grant (years)	**1 to 10**	0 to 10	2 to 4

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

		Group	
	Note	**2021**	**2020**
		S$'000	**S$'000**
Audit fees:			
– Auditor of the Company		**215**	143
Non-audit fees:			
– Auditor of the Company		**29**	32
– Other auditors		**6**	10
Finance costs on:			
– Lease liabilities	12	**219**	237
– Unwinding of discount adjustment of loans to subsidiaries	19	**172**	286

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

	Group	
	2021	**2020**
	S$'000	**S$'000**
Current income tax:		
– Current income taxation	**5,927**	6,331
– Over provision in respect of prior years	**(69)**	(41)
Income tax expense recognised in profit or loss	**5,858**	6,290

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. INCOME TAX EXPENSE (CONT'D)

Relationship between tax expense and profit before tax

A reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021	**2020**
	S$'000	**S$'000**
Profit before tax	**27,286**	24,807
Tax at the corporate tax rate of 17%	**4,639**	4,217
Adjustments:		
Non-deductible expenses	**795**	1,740
Income not subject to tax	**(338)**	(634)
Effect of partial tax exemption and tax relief	**(85)**	(93)
Deferred tax assets not recognised	**721**	902
Over provision in respect of prior years	**(69)**	(41)
Share of results of associate	**9**	177
Share of results of joint ventures	**173**	7
Withholding tax	**8**	11
Others	**5**	4
Income tax expense recognised in profit or loss	**5,858**	6,290

Tax consequence of proposed dividends

There is no income tax consequence attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 30).

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately S$14,630,000 (2020: S$16,026,000) that are available for offset against future taxable profits of the companies in which the losses and capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. These tax losses and capital allowances have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares. Diluted earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. These profit and share data are presented in the tables below:

	Group	
	2021	**2020**
	S$'000	**S$'000**
Profit for the year attributable to owners of the Company	**25,115**	22,769

	No. of shares	**No. of shares**
Weighted average number of ordinary shares outstanding for computation of basic earnings per share	**1,319,684,748**	1,317,341,691
Effect of dilution:		
– Contingently issuable performance shares	**7,306,000**	6,910,788
Weighted average number of ordinary shares outstanding for computation of diluted earnings per share	**1,326,990,748**	1,324,252,479

8,600,000 (2020: 8,600,000) share options outstanding under the ESOS have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

In March 2022, the Company allotted and issued 1,945,209 ordinary shares of the Company to employees pursuant to the vesting of performance shares granted in March 2020. Consequently, the total number of issued and paid-up shares of the Company increased from 1,320,109,347 as at 31 December 2021 to 1,322,054,556 ordinary shares as at 30 March 2022.

Except for the above, there have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. PLANT AND EQUIPMENT

	Furniture and fittings S$'000	Clinic equipment S$'000	Office equipment S$'000	Computers S$'000	Renovations S$'000	Laboratory equipment S$'000	Motor vehicle S$'000	Total S$'000
Group								
Cost								
At 1 January 2020	181	10	84	278	4,439	2,426	195	7,613
Additions	171	379	36	14	1,354	–	–	1,954
At 31 December 2020 and 1 January 2021	352	389	120	292	5,793	2,426	195	9,567
Additions	10	66	24	69	533	68	–	770
Disposal of a subsidiary (Note 13(c))	(37)	–	(10)	(20)	(698)	(407)	(195)	(1,367)
At 31 December 2021	**325**	**455**	**134**	**341**	**5,628**	**2,087**	**–**	**8,970**
Accumulated depreciation and impairment loss								
At 1 January 2020	108	10	33	115	1,480	885	91	2,722
Depreciation charge for the year	34	–	27	79	770	474	39	1,423
Impairment loss	43	–	30	79	2,188	1,067	–	3,407
At 31 December 2020 and 1 January 2021	185	10	90	273	4,438	2,426	130	7,552
Depreciation charge for the year	35	63	11	18	227	6	32	392
Disposal of a subsidiary (Note 13(c))	(37)	–	(7)	(17)	(698)	(402)	(162)	(1,323)
At 31 December 2021	**183**	**73**	**94**	**274**	**3,967**	**2,030**	**–**	**6,621**
Net book value								
At 31 December 2020	167	379	30	19	1,355	–	65	2,015
At 31 December 2021	**142**	**382**	**40**	**67**	**1,661**	**57**	**–**	**2,349**

In 2020, the Group carried out a review of the recoverable amount of the plant and equipment in the cellular and gene therapy segment. As the carrying amount of the plant and equipment was higher that its recoverable amount, an impairment loss of S$3,407,000 was recognised in profit or loss for the year ended 31 December 2020. Based on the impairment review carried out during the year ended 31 December 2021, no reversal is required for the impairment loss previously recognised. Further information about the impairment loss is included in Note 13(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. LEASES

Group as a lessee

The Group has lease contracts for clinics, office premises and laboratory premises. These leases have an average lease term of 5 years. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group also has certain leases for office premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the years ended 31 December 2021 and 2020:

	Group Right-of-use assets			
	Clinics S$'000	**Office premises S$'000**	**Laboratory premises S$'000**	**Total S$'000**
At 1 January 2020	3,049	753	46	3,848
Additions	1,787	70	542	2,399
Depreciation charge for the year	(1,607)	(302)	(181)	(2,090)
At 31 December 2020 and 1 January 2021	3,229	521	407	4,157
Additions	3,966	649	–	4,615
Depreciation charge for the year	(1,645)	(281)	(170)	(2,096)
Disposal of a subsidiary (Note 13(c))	–	(415)	(96)	(511)
At 31 December 2021	**5,550**	**474**	**141**	**6,165**

Set out below are the carrying amounts of lease liabilities and the movements during the years ended 31 December 2021 and 2020:

	Group	
	2021 S$'000	**2020 S$'000**
At 1 January	**4,476**	3,893
Additions	**4,615**	2,399
Accretion of interest	**219**	237
Property tax rebate and rental waiver	**–**	(253)
Payments	**(2,325)**	(1,800)
Disposal of a subsidiary (Note 13(c))	**(517)**	–
At 31 December	**6,468**	4,476
Current	**1,975**	1,786
Non-current	**4,493**	2,690
At 31 December	**6,468**	4,476

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. LEASES (CONT'D)

Group as a lessee (cont'd)

The maturity analysis of lease liabilities is disclosed in Note 27(b) to the financial statements.

The following amounts are recognised in profit or loss:

	Group	
	2021	**2020**
	S$'000	**S$'000**
Depreciation of right-of-use assets	**2,096**	2,090
Finance costs on lease liabilities	**219**	237
Expenses relating to short-term leases and leases of low-value assets	**48**	49
Total amounts recognised in profit or loss	**2,363**	2,376

The Group had total cash outflows for leases of S$2,373,000 (2020: S$1,849,000) for the year ended 31 December 2021. Non-cash additions to right-of-use assets and lease liabilities amounted to S$4,615,000 (2020: S$2,399,000) for the year ended 31 December 2021. There are no leases that have yet to commence.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Within one year S$'000	After one year but not more than five years S$'000	Total S$'000
2021			
Extension options expected not to be exercised	**514**	**1,508**	**2,022**
2020			
Extension options expected not to be exercised	433	1,346	1,779

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12. LEASES (CONT'D)

Group as a lessor

The Group has entered into operating leases on clinics. These leases have terms of six months. Rental income (included under "Revenue" as "Management fees" disclosed in Note 4(a)(ii) to the financial statements) recognised by the Group during the year ended 31 December 2021 is S$1,578,000 (2020: S$1,371,000).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December is as follows:

	2021 S$'000	2020 S$'000
Within one year	**533**	1,266

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 S$'000	**2020 S$'000**
Equity shares, at cost	**23,708**	17,978
Discount on interest-free loans to subsidiaries	**2,192**	2,192
Deemed contribution in respect of share-based payments to employees of Singapore Cancer Centre Pte. Ltd.	**3,678**	3,215
Impairment loss	**(10,156)**	(7,756)
	19,422	15,629

At 31 December 2021, the Company's cost of investment in subsidiaries amounted to S$23,708,000 (2020: S$17,978,000). The increase in the cost of investment in subsidiaries was due to additional capital injections of S$1,530,000 and S$4,200,000 in its subsidiaries, TalkMed Greater China Pte. Ltd. and CellVec Pte. Ltd. ("**CellVec**") respectively.

During the year ended 31 December 2020, due to the adverse impact of COVID-19 on the cellular and gene therapy and stem cell segments, the Company assessed the cost of investment in subsidiaries for impairment and recognised impairment loss of S$3,030,000 and S$4,726,000 in respect of the carrying amounts of the Company's investment in Stem Med Pte. Ltd. (disposed on 31 October 2021 and further information about the disposal is included in Note 13(c)) and CellVec, respectively. During the year ended 31 December 2021, due to the continued losses incurred by the cellular and gene therapy segment, the Company recognised additional impairment loss of S$2,400,000 in respect of the carrying amounts of the Company's investment in CellVec. Further information on the impairment loss is disclosed in Note 13(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

The Group has the following investment in subsidiaries:

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest 2021 %	2020 %
Held by the Company:				
Singapore Cancer Centre Pte. Ltd. ("**SCC**")[a]	Singapore	Provision of specialist doctors and medical staff to operate Parkway Cancer Centre which is a division of Parkway Hospitals Singapore Pte. Ltd. for specialist oncology services (Singapore)	**100**	100
TalkMed Vietnam Pte. Ltd.[a]	Singapore	Provision of specialised medical oncology services (Vietnam)	**100**	100
TalkMed Greater China Pte. Ltd. ("**TMGC**")[a]	Singapore	Provision of healthcare management services (Singapore)	**100**	100
Stem Med Pte. Ltd. ("**Stem Med**")[b]	Singapore	Provision of services related to processing, culturing and storage of stem cells (Singapore)	**–**	60
CellVec Pte. Ltd. ("**CellVec**")[a]	Singapore	Provision of cellular and gene therapy related products and services (Singapore)	**60**	60
Held through Stem Med Pte. Ltd.:				
Stem Med Indonesia Pte. Ltd.[b]	Singapore	Provision of services related to operation of cellular laboratories and storage facilities and cellular therapeutics clinics (Indonesia)	**–**	90
DrSG Cellular Wellness Pte. Ltd.[b, c]	Singapore	Provision of customised solutions using protein-rich derivatives for skin care and hair rejuvenation (Singapore)	**–**	60

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13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest 2021 %	2020 %
Held through TalkMed Greater China Pte. Ltd.:				
TalkMed Chongqing Pte. Ltd. ("**TMCQ**")[a]	Singapore	Provision of healthcare management services (Singapore)	**100**	100
TalkMed China Pte. Ltd. ("**TMC**")[a]	Singapore	Provision of healthcare management services (Singapore)	**100**	100
Held through TalkMed China Pte. Ltd.:				
TalkMed Hospital Management (Beijing) Co., Ltd.[d]	China	Provision of healthcare management services (China)	**100**	100
Beijing Yachuang Siwei Investment Management Co., Ltd.[d]	China	Provision of healthcare management services (China)	**90**[e]	70[e]
Held through Beijing Yachuang Siwei Investment Management Co., Ltd.:				
Beijing Deyi Shanshui Clinic Co., Ltd.[d]	China	Provision of healthcare management services (China)	**100**	100

a Audited by Ernst & Young LLP, Singapore.

b During the year ended 31 December 2021, the Group disposed of its entire equity interest in Stem Med Pte. Ltd.. Pursuant to the disposal, Stem Med Pte. Ltd. and its subsidiaries, Stem Med Indonesia Pte. Ltd. and DrSG Cellular Wellness Pte. Ltd. ceased to be subsidiaries of the Group. Further details are disclosed in Note 13(c).

c This entity has been dormant since its incorporation and is not required to be audited. Its shareholders, Stem Med and A DrBrand Pte. Ltd., have mutually agreed to end their collaboration on 10 November 2020 and it has been struck off on 4 October 2021.

d These entities do not require a statutory audit for the years ended 31 December 2021 and 2020.

e The Group exercises control over and derives economic benefits from the remaining 10% (2020: 30%) interest in the entity through contractual arrangements.

NOTES TO THE FINANCIAL STATEMENTS

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13. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Impairment test for investment in subsidiaries, including plant and equipment held by subsidiaries and loans to subsidiaries

	Carrying amount		Basis on which recoverable amount is determined	Post-tax discount rate per annum	
	2021	2020		2021	2020
	S$'000	S$'000		%	%
Group					
CellVec					
Plant and equipment	**127**	–	Value-in-use	**21.1**	21.1
Company					
Stem Med					
Investment in subsidiary	**–**	–	Value-in-use	**–**	13.5
Loans to subsidiary	**–**	–	Value-in-use	**–**	13.5
	–	–			
CellVec					
Investment in subsidiary	**1,800**	–	Value-in-use	**21.1**	21.1
Loan to subsidiary	**–**	–	Value-in-use	**21.1**	21.1
	1,800	–			

(i) Stem Med

Stem Med provides services related to processing, culturing and storage of stem cells. The recoverable amounts of the investment in Stem Med and loans to Stem Med have been determined based on value-in-use calculation using cash flow projections from financial budgets that were approved by management. For purpose of determining the value-in-use of the investment in Stem Med, the cash flows beyond the initial five years were extrapolated using a long-term growth rate of 1.7% for the year ended 31 December 2020 which was determined based on market information consistent for the industry it operates in. The cash flows for the initial five years included revenue growth rate of between 10% and 26%.

As the carrying amount of the investment in Stem Med and loans to Stem Med was in excess of the estimated value-in-use, the Company had recognised a full impairment loss of S$3,030,000 and S$4,858,000 (Note 17) in respect of the carrying amount of the Company's investment in Stem Med and loans to Stem Med, respectively, for the year ended 31 December 2020. During the year ended 31 December 2021, the Group disposed of its entire equity interest in Stem Med. Pursuant to the disposal, Stem Med ceased to be a subsidiary of the Group. Further details are disclosed in Note 13(c).

NOTES TO THE FINANCIAL STATEMENTS

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13. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Impairment test for investment in subsidiaries, including plant and equipment held by subsidiaries and loans to subsidiaries (cont'd)

(ii) CellVec

CellVec provides cellular and gene therapy related products and services. The recoverable amounts of the investment in CellVec, loan to CellVec, and plant and equipment have been determined based on value-in-use calculation using cash flow projections from financial budgets that were approved by management. For purpose of determining the value-in-use of the investment in CellVec, the cash flows beyond the initial five years were extrapolated using a long-term growth rate of 2.0% (2020: 1.7%) which was determined based on market information consistent for the industry it operates in. The cash flows for the initial five years included revenue growth rate of between 3% and 1774% (2020: 6% and 454%).

During the year ended 31 December 2021, the Company recognised impairment losses of S$2,400,000 (2020: S$4,726,000) and S$193,000 (2020: S$3,626,000) in respect of the carrying amount of the Company's additional investments in CellVec and loan to CellVec respectively. The impairment losses represented the shortfall between the estimated value-in-use and carrying amounts of the Company's investment in CellVec and loan to CellVec.

During the year ended 31 December 2020, the Group recognised a full impairment loss of S$3,407,000 in respect of the carrying amount of the plant and equipment held by CellVec.

Based on the impairment review carried out during the year ended 31 December 2021, no reversal is required in respect of the impairment loss previously recognised on the Company's investment in CellVec and loan to CellVec, and the Group's plant and equipment.

Key assumptions used in the value-in-use calculations

Growth rates – The forecasted growth rates are based on published industry research and are comparable to the average growth rate for the industry relevant to the entity.

Post-tax discount rate – Discount rate represents the current market assessment of the risks specific to the entity, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("**WACC**").

Summary of sensitivity to changes in assumptions

Management is of the view that no reasonably possible change in any of the above key assumptions would have an impact on the impairment assessment conclusion.

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13. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Interest in subsidiary with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interests held by non-controlling interests		Loss allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period		Dividends paid to NCI	
		2021 %	2020 %	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
CellVec	Singapore	**40**	40	**(1,910)**	(3,940)	**(2,338)**	(3,228)	**–**	–

Summarised financial information about subsidiary with material NCI

Summarised financial information before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised statements of financial position

	CellVec Pte. Ltd. 2021 S$'000	CellVec Pte. Ltd. 2020 S$'000
Current		
Assets	**4,874**	1,664
Liabilities	**(1,364)**	(561)
Net current assets	**3,510**	1,103
Non-current		
Assets	**624**	544
Liabilities	**(6,622)**	(9,782)
Net non-current liabilities	**(5,998)**	(9,238)
Net liabilities	**(2,488)**	(8,135)

Summarised statements of comprehensive income

	CellVec Pte. Ltd. 2021 S$'000	CellVec Pte. Ltd. 2020 S$'000
Revenue	**199**	123
Loss before and after tax	**(4,776)**	(9,592)
Total comprehensive income	**(4,776)**	(9,592)

Other summarised information

	CellVec Pte. Ltd. 2021 S$'000	CellVec Pte. Ltd. 2020 S$'000
Net cash flows used in operations	**(3,355)**	(6,171)
Acquisitions of plant and equipment	**144**	9

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13. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Disposal of a subsidiary

In October 2021, the Group disposed of its entire 55.2% stake in its subsidiary, Stem Med Pte. Ltd. ("**Stem Med**") to Edge Capital Fund SP2 Pte. Ltd. (the "**Purchaser**") (the "**Divestment**"). The Purchaser is a Singapore-incorporated subsidiary of Edge Capital Fund SPC (the "**SPC**"), a segregated portfolio company incorporated with limited liability in the Cayman Islands. Pursuant to the Divestment, Stem Med and its subsidiaries, Stem Med Indonesia Pte. Ltd. and DrSG Cellular Wellness Pte. Ltd., ceased to be subsidiaries of the Group.

The consideration for the Divestment was satisfied by the allotment and issue to the Group's 811 Class C non-voting participating shares ("**Class C Shares**") in Regenosis Gero-Science Fund SP, a segregated portfolio of the SPC. The fair value of the Class C Shares that were held by the Company as at the date of the Divestment was USD1,000 per share (Note 16).

The value of the assets and liabilities of Stem Med and its subsidiaries recorded in the consolidated financial statements as at the date of disposal (ie. 31 October 2021) were as follows:

	As at disposal date S$'000
Plant and equipment	**44**
Right-of-use assets	**511**
Cash and short-term deposits	**1,122**
Inventories	**155**
Trade and other receivables	**156**
Prepayments	**33**
Total assets	**2,021**
Trade and other payables	**(240)**
Other liabilities	**(680)**
Lease liabilities	**(517)**
Total liabilities	**(1,437)**
Net assets de-recognised	**584**
Less: Non-controlling interests	**(487)**
Net assets disposed	**97**

The effects of the disposal were as follows:

	S$'000
Deemed sale consideration	**1,093**
Less: Net assets disposed	**(97)**
Gain on disposal	**996**
Cash consideration	**–**
Less: Cash and short-term deposits of subsidiary disposed	**(1,122)**
Net cash outflow on disposal	**(1,122)**

The gain on disposal which amounted to S$996,000 was included under "other income" in the statement of comprehensive income.

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14. INVESTMENT IN JOINT VENTURES

The Group's investment in joint ventures is summarised below:

	Group	
	2021	2020
	S$'000	S$'000
Equity shares, at cost	**4,785**	4,700
Share of results of joint ventures	**(1,059)**	(41)
Foreign currency translation	**376**	152
	4,102	4,811

At 31 December 2021, the Group's cost of investment in joint ventures amounted to S$4,785,000 (2020: S$4,700,000). The increase in the cost of investment in joint ventures was due to a new investment in Chongqing Medtech Health Management Co., Ltd. during the year.

The Group has the following investment in joint ventures:

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %
Held through TalkMed Chongqing Pte. Ltd.:				
Sino-Singapore Hospital Management (Chongqing) Co., Ltd.[a]	China	Provision of specialised medical oncology services (China)	**60**	60
Chongqing Medtech Health Management Co., Ltd.[a,b]	China	Provision of services to establish internet hospitals and to operate internet pharmacies (China)	**30**	–

[a] These entities do not require a statutory audit for the years ended 31 December 2021 and 2020.

[b] As at 31 December 2021, this entity was in a pre-operating stage and has not commenced commercial operations.

NOTES TO THE FINANCIAL STATEMENTS

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14. INVESTMENT IN JOINT VENTURES (CONT'D)

(a) Change in assessment of control of Sino-Singapore Hospital Management (Chongqing) Co., Ltd.

On 11 September 2019, the Group's wholly-owned subsidiary, TalkMed Chongqing Pte. Ltd. ("**TMCQ**"), entered into an Equity Joint Venture Contract ("**the Agreement**") with Chongqing Yongchuan District People's Hospital ("**YCDPH**"), to establish Sino-Singapore Hospital Management (Chongqing) Co., Ltd. (中新医院管理(重庆)有限公司) ("**SSHM**"). TMCQ subscribed for 60% interest in SSHM for a cash consideration of RMB24,000,000 (equivalent to S$4,700,000). TMCQ and the Group accounted for SSHM as a consolidated subsidiary as at 31 December 2019.

Despite the Group having majority ownership and board representation in SSHM, the agreement between shareholders included certain clauses which require unanimous approval of all directors on certain key relevant matters. During the year ended 31 December 2020, management re-assessed the terms of the Agreement and determined that the Group and YCDPH jointly control SSHM and the Group should apply the equity accounting method to account for its 60% interest from the date of investment. Pursuant to the re-assessment, SSHM was classified as a joint venture of the Group and the Group equity accounted for its share of losses since the incorporation of SSHM.

At 31 December 2019, as SSHM was recently incorporated and was in a pre-operating stage, the consolidation of SSHM did not have a significant impact on the Group's financial statements for the year ended 31 December 2019. Accordingly, no restatement was made to the Group's financial statements for 31 December 2019.

The table below summarises the changes in balances of SSHM between 31 December 2019 and 31 December 2020:

	Group 2020 S$'000
Cost of investment upon incorporation – subsidiary of TMCQ	2,825
Additional investment during the year	1,875
Share of results:	
– From 11 September 2019 (date of incorporation) to 31 December 2019	(37)
– For the year ended 31 December 2020 (Note 14(b))	(4)
	(41)
Foreign currency translation	152
At 31 December 2020 – joint venture	4,811

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14. INVESTMENT IN JOINT VENTURES (CONT'D)

(a) Change in assessment of control of Sino-Singapore Hospital Management (Chongqing) Co., Ltd. (cont'd)

The effect of the change in assessment of control on the Group's financial statements for the year ended 31 December 2020 was as follows:

	Group 2020 S$'000
Investment in SSHM upon incorporation:	
– TMCQ	2,825
– YCDPH (accounted for as non-controlling interests at 31 December 2019)	1,829
	4,654
Less: Share of results from 11 September 2019 (date of incorporation) to 31 December 2019	(37)
Impact on cash flows used in investing activities arising from change in assessment of control	4,617

(b) Summarised financial information about material joint venture

The summarised financial information in respect of SSHM, based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised statements of financial position

	Sino-Singapore Hospital Management (Chongqing) Co., Ltd.	
	2021 S$'000	**2020 S$'000**
Cash at banks and on hand	**423**	4,446
Current assets (excluding cash at banks and on hand)	**811**	2,574
Non-current assets	**10,909**	1,209
Total assets	**12,143**	8,229
Current liabilities	**5,438**	210
Includes:		
– Financial liabilities (excluding trade and other payables and provisions)	**–**	–
Non-current liabilities	**–**	–
Includes:		
– Financial liabilities (excluding trade and other payables and provisions)	**–**	–
Total liabilities	**5,438**	210
Net assets	**6,705**	8,019
Proportion of the Group's ownership	**60%**	60%
Group's share of net assets	**4,023**	4,811
Carrying amount of investment	**4,023**	4,811

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14. INVESTMENT IN JOINT VENTURES (CONT'D)

(b) Summarised financial information about material joint venture (cont'd)

Summarised statements of comprehensive income

	Sino-Singapore Hospital Management (Chongqing) Co., Ltd.	
	2021	**2020**
	S$'000	**S$'000**
Revenue	**4,333***	–
Depreciation of plant and equipment	**411**	–
Interest income	**19**	60
Interest expense	**–**	–
Income tax expense	**–**	–
Loss before and after tax	**(1,687)**	(6)
Total comprehensive income	**(1,687)**	(6)
Group's share of total comprehensive income	**(1,012)**	(4)

* During the year, Sino-Singapore Cancer Centre ("**SSCC**"), an oncology hospital located in Yongchuan, Western Chongqing, China, was established by SSHM for the provision of oncology services to oncology patients. In China, medical institutions are required to obtain National Healthcare Security Administration Licence (the "**Licence**") in order to issue invoices and collect payments from patients under the national social health insurance. SSCC obtained the Licence in December 2021. Prior to obtaining the Licence, SSCC billed and collected fees from its patients through the operating system of the Group's joint venture partner, YCDPH.

(c) Summarised financial information about joint venture which is not material

Information about the Group's investment in Chongqing Medtech Health Management Co., Ltd. is as follows:

	Chongqing Medtech Health Management Co., Ltd.	
	2021	**2020**
	S$'000	**S$'000**
Equity shares, at cost	**85**	–
Share of results of joint venture	**(6)**	–
	79	–
Loss before and after tax	**21**	–
Total comprehensive income	**21**	–

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN ASSOCIATE

The Group's investment in associate is summarised below:

	Group		Company	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Hong Kong Integrated Oncology Centre Holdings Limited				
Equity shares, at cost	**11,524**	11,524	**11,524**	11,524
Share of results of associate	**(11,636)**	(11,579)	**–**	–
Share of other reserve of associate	**2,944**	2,944	**–**	–
Foreign currency translation	**(172)**	(172)	**–**	–
Return of capital	**(125)**	(125)	**(125)**	(125)
Others[1]	**(293)**	(293)	**–**	–
	2,242	2,299	**11,399**	11,399

[1] Effect on adoption of SFRS(I) 16 by associate.

The Group has the following investment in associate:

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %
Held by the Company:				
Hong Kong Integrated Oncology Centre Holdings Limited ("**HKH**")[a]	Cayman Islands	Investment holding (Hong Kong)	**30**	30
Held by HKH:				
Hong Kong Integrated Oncology Centre Limited ("**HKIOC**")[a]	Hong Kong	Provision of specialist oncology services (Hong Kong)	**69**	69
Held by HKIOC:				
Hong Kong Integrated Oncology Centre (Kowloon) Limited[a]	Hong Kong	Provision of specialist oncology services (Hong Kong)	**85**	85
Cancer Care Consultants Limited[b]	Hong Kong	Provision of specialist oncology services (Hong Kong)	**60**	60

[a] Audited by Ernst & Young, Hong Kong.

[b] Audited by Tam, Hui, Tse & Ho CPA Limited.

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15. INVESTMENT IN ASSOCIATE (CONT'D)

(a) Impairment test for investment in associate

	Carrying amount		Basis on which recoverable amount is determined	Post-tax discount rate per annum	
	2021	2020		2021	2020
	S$'000	S$'000		%	%
Company					
HKH					
Investment in associate	**11,399**	11,399	Value-in-use	**12.5**	14.5

HKH provides specialist oncology services in Hong Kong. The recoverable amount of the investment in associate has been determined based on value-in-use calculation using cash flow projections from financial budgets that were approved by management covering a five-year period. The cash flows beyond the initial five years were extrapolated using a long-term growth rate of 3% (2020: 2%) which was determined based on market information consistent for the industry it operates in. The cash flows for the initial five years included revenue growth rate of between 6% and 26% (2020: 6% and 9%).

As the calculated value-in-use is in excess of the carrying amount, no impairment is required in respect of the investment in the associate for the years ended 31 December 2021 and 2020.

Key assumptions used in value-in-use calculations

Growth rates – The forecasted growth rates are based on published industry research and are comparable to the average growth rate for the industry relevant to the entity.

Post-tax discount rate – Discount rate represents the current market assessment of the risks specific to the entity, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its WACC.

Sensitivity to changes in assumptions

Management is of the view that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the investment to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN ASSOCIATE (CONT'D)

(b) Summarised financial information about the associate

The summarised financial information in respect of Hong Kong Integrated Oncology Centre Holdings Limited, based on its consolidated IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised statements of financial position

	Hong Kong Integrated Oncology Centre Holdings Limited	
	2021	**2020**
	S$'000	**S$'000**
Current assets	**8,933**	13,297
Non-current assets	**18,972**	29,253
Total assets	**27,905**	42,550
Current liabilities	**17,926**	21,505
Non-current liabilities	**6,071**	17,008
Total liabilities	**23,997**	38,513
Net assets	**3,908**	4,037
Non-controlling interests	**854**	899
	4,762	4,936
Proportion of the Group's ownership	**30%**	30%
Group's share of net assets	**1,429**	1,481
Goodwill on acquisition	**953**	939
Other adjustments	**(140)**	(121)
Carrying amount of investment	**2,242**	2,299

Summarised statements of comprehensive income

	Hong Kong Integrated Oncology Centre Holdings Limited	
	2021	**2020**
	S$'000	**S$'000**
Revenue	**48,748**	43,416
Loss before and after tax	**(310)**	(1,989)
Total comprehensive income	**(310)**	(1,989)

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16. INVESTMENT SECURITIES

Financial assets carried at fair value through other comprehensive income comprise the following:

	Group and Company	
	2021	2020
	S$'000	S$'000
Investment securities	**1,093**	–

The investment relates to 811 Class C non-voting participating shares obtained as consideration for the disposal of Stem Med (Note 13(c)).

On initial recognition of the above investment securities, the Group has elected irrevocably to present subsequent changes in fair value through other comprehensive income. Details on the fair value measurement of the investment securities are disclosed in Notes 27(c) and 27(d) to the financial statements.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Trade and other receivables (current):				
Trade receivables	**8,332**	9,473	**–**	–
GST receivable	**34**	30	**–**	–
Amount due from an associate (trade)	**–**	276	**–**	276
Amounts due from a subsidiary (non-trade)	**–**	–	**35**	32
Dividends receivable from a subsidiary	**–**	–	**15,000**	15,000
Refundable deposits	**379**	356	**–**	–
Interest receivables	**33**	30	**–**	–
Other receivables	**47**	10	**–**	–
Grants receivable	**177**	120	**177**	120
Total trade and other receivables (current)	**9,002**	10,295	**15,212**	15,428
Trade receivables (non-current):				
Trade receivables	**410**	–	**–**	–
Total trade and other receivables (current and non-current)	**9,412**	10,295	**15,212**	15,428
Add: Cash and short-term deposits (Note 18)	**82,164**	79,430	**757**	824
Less: GST receivable	**(34)**	(30)	**–**	–
Less: Grants receivable	**(177)**	(120)	**(177)**	(120)
Total financial assets carried at amortised cost	**91,365**	89,575	**15,792**	16,132

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. TRADE AND OTHER RECEIVABLES (CONT'D)

Amount due from an associate (trade)

As at 31 December 2020, this amount was unsecured, non-interest bearing, repayable upon demand and was to be settled in cash. The amount has been settled during the year ended 31 December 2021.

Amounts due from a subsidiary (non-trade)

These amounts are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

Loans to subsidiaries (non-current)

During the years ended 31 December 2018 and 2017, the Company and a non-controlling shareholder, StemCord Pte Ltd, granted interest-free loans to Stem Med (disposed on 31 October 2021 and further information about the disposal is included in Note 13(c)) and CellVec.

Details of the loans are summarised in the table below:

		Amount of loans granted			
Name of subsidiaries	**Date of grant**	**Company S$'000**	**StemCord (Note 19) S$'000**	**Total S$'000**	**Date of repayment**
Stem Med	20 June 2017	2,400	1,600	4,000	19 June 2022
Stem Med	20 June 2018	3,000	2,000	5,000	19 June 2023
CellVec	1 November 2018	4,200	2,800	7,000	31 October 2023
Total loans to subsidiaries		9,600	6,400	16,000	

These interest-free loans were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Their fair values were estimated based on the present value of future cash flows, discounted at the market rate of interest for similar types of lending or borrowing at the end of the reporting period.

	Company	
	2021 S$'000	**2020 S$'000**
At 1 January	**–**	8,056
Interest income on unwinding of discount adjustment	**193**	428
Less: Allowance for impairment loss (Note 13(a)(i) and (ii))	**(193)**	(8,484)
At 31 December	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. TRADE AND OTHER RECEIVABLES (CONT'D)

Loans to subsidiaries (non-current) (cont'd)

During the year ended 31 December 2020, the Company carried out an assessment of the recoverable amount of the loans to subsidiaries. Based on cash flow projections prepared for the subsidiaries, the Company determined that the subsidiaries were unlikely to meet the contractual cash flows of the intercompany loans when payments are due. Accordingly, management assessed that there was a significant increase in credit risk and the risk of default by these intercompany debtors was high. As a result, the Company recognised an allowance for impairment loss of S$4,858,000 and S$3,626,000 in respect of the loans due from Stem Med (disposed on 31 October 2021 and further information about the disposal is included in Note 13(c)) and CellVec respectively.

During the year ended 31 December 2021, the Company recognised additional impairment loss of S$193,000 on the loan to CellVec. Based on the impairment review carried out during the year ended 31 December 2021, the loan to CellVec remains impaired and no reversal is required in respect of the impairment loss previously recognised. Further information about the impairment loss is included in Note 13(a) to the financial statements.

Except for the loans to subsidiaries, management has assessed that the loss allowance provision as at 31 December 2021 and 2020 is negligible as the Group has no significant default in trade and other receivables based on historical experience. Information relating to the expected credit loss assessment of the Group and the Company is disclosed in Note 27 to the financial statements.

18. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash at banks and on hand	**15,258**	10,132	**757**	824
Short-term deposits	**66,906**	69,298	**–**	–
Total cash and short-term deposits	**82,164**	79,430	**757**	824

Cash at banks earn interest ranging from 0.08% to 0.55% (2020: 0.50% to 1.00%) per annum. Short-term deposits are made for periods varying between 3 months and 6 months (2020: 1 month and 6 months), depending on the immediate cash requirements of the Group, and earn interests ranging from 0.45% to 0.60% (2020: 0.30% to 1.77%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Trade and other payables:				
Trade payables	**609**	386	**–**	–
GST payable	**899**	989	**–**	–
Rental deposits	**407**	381	**–**	–
Other payables	**229**	203	**15**	77
Amounts due to a director-related company (non-trade)	**7**	7	**–**	–
Amounts due to non-controlling shareholder (non-trade)	**19**	16	**–**	–
Total trade and other payables	**2,170**	1,982	**15**	77
Add: Accrued operating expenses (Note 20)	**3,397**	4,152	**218**	138
Add: Lease liabilities (Note 12)	**6,468**	4,476	**–**	–
Less: GST payable	**(899)**	(989)	**–**	–
Add: Loans from non-controlling shareholder to subsidiaries	**2,547**	5,657	**–**	–
Total financial liabilities carried at amortised cost	**13,683**	15,278	**233**	215

Trade payables

Trade payables are non-interest bearing and are generally settled on 30 to 60 days' terms.

Loans from non-controlling shareholder to subsidiaries (non-current)

During the years ended 31 December 2018 and 2017, the Company and a non-controlling shareholder, StemCord Pte Ltd, granted interest-free loans to Stem Med (disposed on 31 October 2021 and further information about the disposal is included in Note 13(c)) and CellVec.

Details of the loans are summarised in the table below:

		Amount of loans granted			
Name of subsidiaries	Date of grant	Company (Note 17) S$'000	StemCord S$'000	Total S$'000	Date of repayment
Stem Med	20 June 2017	2,400	1,600	4,000	19 June 2022
Stem Med	20 June 2018	3,000	2,000	5,000	19 June 2023
CellVec	1 November 2018	4,200	2,800	7,000	31 October 2023
Total loans to subsidiaries		9,600	6,400	16,000	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. TRADE AND OTHER PAYABLES (CONT'D)

Loans from non-controlling shareholder to subsidiaries (non-current) (cont'd)

These interest-free loans were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Their fair values were estimated based on the present value of future cash flows, discounted at the market rate of interest for similar types of lending or borrowing at the end of the reporting period.

	Group	
	2021	2020
	S$'000	S$'000
At 1 January	**5,657**	5,371
Finance costs on unwinding of discount adjustment (Note 8)	**172**	286
Capitalisation of Stem Med's loans by non-controlling shareholder	**(3,282)**	–
At 31 December	**2,547**	5,657

Amounts due to a director-related company (non-trade)

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Amounts due to non-controlling shareholder (non-trade)

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

20. OTHER LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Current				
Accrued operating expenses	**3,397**	4,152	**218**	138
Deferred grant income	**46**	272	**–**	–
Deferred revenue	**775**	94	**–**	–
	4,218	4,518	**218**	138
Non-current				
Deferred revenue	**–**	107	**–**	–

Deferred grant income

Deferred grant income mainly relates to grant received/receivable under the JSS (Note 5). Deferred grant income is recognised as grant income in profit or loss on a systematic basis over the months in which the related salary costs are recognised as expense.

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21. SHARE CAPITAL

	Group and Company			
	2021		2020	
	No. of shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid ordinary shares				
At 1 January	**1,318,055**	**23,905**	1,314,502	22,438
Ordinary shares issued upon vesting of performance shares	**2,054**	**600**	3,553	1,467
At 31 December	**1,320,109**	**24,505**	1,318,055	23,905

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

22. MERGER RESERVE

The merger reserve represents the difference between the consideration paid and the paid-up capital of the subsidiary under common control which is accounted for by applying the pooling of interest method (Note 2.4(b)).

23. SHARE-BASED PAYMENTS RESERVE

The share-based payments reserve represents the equity-settled share options and performance shares granted to employees (Note 7). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period (including moratorium period, as applicable) commencing from the grant date of equity-settled share options and performance shares, and is reduced by the expiry, exercise or forfeiture of the share options and performance shares.

24. OTHER RESERVE

	Group	
	2021 S$'000	2020 S$'000
Share of other reserve of associate[1]	**2,944**	2,944
Changes in ownership interest in subsidiary without loss in control	**9**	9
Acquisition of non-controlling interests without a change in control	**(9)**	(9)
Other adjustment	**(137)**	(137)
	2,807	2,807

[1] During the year ended 31 December 2020, the associate, HKH's ownership interest in its subsidiary, HKIOC, was diluted to 69% (Note 15). The change in HKH's ownership interest in HKIOC did not result in loss of control of HKIOC by HKH and was therefore accounted for as an equity transaction in the consolidated financial statements of HKH. Accordingly, the Group recognised its share of such changes which amounted to S$549,000 in other comprehensive income for the year ended 31 December 2020.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

26. RELATED PARTY TRANSACTIONS

(a) Sales and purchases of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the years ended 31 December 2021 and 2020:

	Group	
	2021	**2020**
	S$'000	**S$'000**
Lease payments to directors and director-related companies	**1,128**	987
Lease payments to non-controlling shareholder	**333**	309
Service fees paid to non-controlling shareholder	**102**	92
Service fees paid to director-related companies	**20**	18
Payments made on behalf by non-controlling shareholder	**16**	24
Consultancy services rendered to associate	**269**	276
Stem cell processing fees charged to non-controlling shareholder	**235**	360

(b) Compensation of key management personnel

	Group	
	2021	**2020**
	S$'000	**S$'000**
Short-term employee benefits	**7,663**	7,038
Directors' fees – directors of the Company and subsidiaries	**390**	380
Central Provident Fund contributions	**77**	68
Share-based payments expense	**47**	11
	8,177	7,497
Comprised amounts paid/payable to:		
– Directors of the Company	**6,214**	6,204
– Other key management personnel	**1,963**	1,293
	8,177	7,497

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current and previous years, the Group's and the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which is derived based on the Group's and the Company's historical information.

To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the debtor;

– A breach of contract, such as a default or past due event; or

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group categorises a loan or receivable for potential write off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group and the Company continue to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with days past due by grouping of customers based on geographical regions and revenue segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions where the healthcare consumer price index will increase over the next year, leading to an increased number of defaults. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

Management has assessed that the loss allowance provision as at 31 December 2021 and 2020 is negligible as the Group has no significant default in trade receivables based on historical experience.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

(ii) Loans to subsidiaries at amortised cost

The Company uses three categories of internal credit risk ratings for intercompany loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, such as Standard and Poor, Moody's and Fitch, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Company computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Company considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward-looking macroeconomic data such as GDP growth and central bank base rates.

A summary of the Company's internal grading category in the computation of the Company's expected credit loss model for the intercompany loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision
Grade I	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses
Grade III	Interest and/or principal repayments are 90 days past due.	Lifetime expected credit losses

There are no significant changes to estimation techniques or assumptions made during the reporting period.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

(ii) Loans to subsidiaries at amortised cost (cont'd)

The carrying amount of loans at amortised cost, without taking into account any collaterals held or other credit enhancements which represents the maximum exposure to loss, is as follows:

Company		**2021** **S$'000**	**2020** **S$'000**
12-month ECL	Loans at amortised cost	**–**	–

During the year ended 31 December 2020, the COVID-19 outbreak had adversely affected the operations and results of the cellular and gene therapy and stem cell operating segments and their cash flow projections. Consequently, the Company assessed that there was a significant increase in credit risk and categorised these intercompany loans under Grade III. As disclosed in Note 17 to the financial statements, the Company had recognised an allowance for impairment loss of S$4,858,000 and S$3,626,000 in respect of the loans due from Stem Med (disposed on 31 October 2021 and further information about the disposal is included in Note 13(c)) and CellVec, respectively, due to the high risk of default assessed.

During the year ended 31 December 2021, the Company recognised additional impairment loss of S$193,000 in respect of the loan to CellVec. Based on the impairment review carried out during the year ended 31 December 2021, the loan to CellVec remains impaired and no reversal is required in respect of the impairment loss previously recognised.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

Credit risk concentration profile

The Group has one (2020: one) major trade debtor whom is based in Singapore. At the end of the reporting period, approximately 98% (2020: 97%) of the Group's trade receivables were due from this major trade debtor.

In order to mitigate concentrations of risk, the Group's policies and procedures include specific guidelines to focus on monitoring the repayment pattern of its key trade debtor.

The carrying amount of trade receivables is disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. As part of its overall liquidity management, the Group and the Company monitor and maintain a level of cash and short-term deposits deemed adequate by management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	2021			2020		
	One year or less S$'000	**One to five years S$'000**	**Total S$'000**	**One year or less S$'000**	**One to five years S$'000**	**Total S$'000**
Group						
Financial assets						
Trade and other receivables (net of GST receivable and grants receivable)	**8,791**	**410**	**9,201**	10,145	–	10,145
Cash and short-term deposits	**82,164**	**–**	**82,164**	79,430	–	79,430
Total undiscounted financial assets	**90,955**	**410**	**91,365**	89,575	–	89,575
Financial liabilities						
Trade and other payables (net of GST payable)	**1,271**	**–**	**1,271**	993	–	993
Accrued operating expenses	**3,397**	**–**	**3,397**	4,152	–	4,152
Lease liabilities	**2,191**	**4,971**	**7,162**	1,961	3,248	5,209
Loans from non-controlling shareholder to subsidiaries	**–**	**2,800**	**2,800**	–	6,400	6,400
Total undiscounted financial liabilities	**6,859**	**7,771**	**14,630**	7,106	9,648	16,754
Total net undiscounted financial assets/(liabilities)	**84,096**	**(7,361)**	**76,735**	82,469	(9,648)	72,821

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	2021			2020		
	One year or less S$'000	One to five years S$'000	Total S$'000	One year or less S$'000	One to five years S$'000	Total S$'000
Company						
Financial assets						
Trade and other receivables (net of grants receivable)	**15,035**	**–**	**15,035**	15,308	–	15,308
Cash and short-term deposits	**757**	**–**	**757**	824	–	824
Total undiscounted financial assets	**15,792**	**–**	**15,792**	16,132	–	16,132
Financial liabilities						
Trade and other payables	**15**	**–**	**15**	77	–	77
Accrued operating expenses	**218**	**–**	**218**	138	–	138
Total undiscounted financial liabilities	**233**	**–**	**233**	215	–	215
Total net undiscounted financial assets	**15,559**	**–**	**15,559**	15,917	–	15,917

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in equity prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment securities.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the investment securities held had been 5% higher/lower with all other variables held constant, the Group's other comprehensive income would have been $55,000 higher/lower, arising as a result of an increase/decrease in the fair value of investment securities classified as financial assets carried at fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Fair value of financial instruments

(i) Fair value hierarchy

The Group and the Company categorise fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group and the Company can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(ii) Assets and liabilities measured at fair value

The following table shows an analysis of the assets and liabilities measured at fair value at the end of the reporting period:

		Group and Company			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Carrying amount S$'000
2021					
Financial assets carried at fair value through other comprehensive income:					
Investment securities	16	**–**	**–**	**1,093**	**1,093**
2020					
Financial assets carried at fair value through other comprehensive income:					
Investment securities	16	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Fair value of financial instruments (cont'd)

(ii) Assets and liabilities measured at fair value (cont'd)

Information about significant unobservable inputs used in Level 3 fair value measurements

The investment securities are not traded in an active market. The fair value of the Group's investment securities as at 31 December 2021 is estimated with reference to the recent subscription price of shares issued close to the end of the financial year. As the fair value of the investment securities is determined based on unobservable inputs, the fair value is classified as a Level 3 measurement.

(iii) Assets and liabilities that are not carried at fair value, but for which fair value is disclosed

The following table shows an analysis of each class of assets and liabilities not measured at fair value at the end of the reporting period:

		Group			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Carrying amount S$'000
2021					
Financial liabilities carried at amortised cost:					
Loans from non-controlling shareholder to subsidiary	19	**–**	**–**	**2,554**	**2,547**
2020					
Financial liabilities carried at amortised cost:					
Loans from non-controlling shareholder to subsidiaries	19	–	–	5,664	5,657

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Fair value of financial instruments (cont'd)

(iii) Assets and liabilities that are not carried at fair value, but for which fair value is disclosed (cont'd)

	Note	Company			
		Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Carrying amount S$'000
2021					
Financial assets carried at amortised cost:					
Loans to subsidiaries	17	**–**	**–**	**–**	**–**
2020					
Financial assets carried at amortised cost:					
Loans to subsidiaries	17	–	–	–	–

Loans to subsidiaries and loans from non-controlling shareholder to subsidiaries

The fair value of the non-current loans to subsidiaries and loans from non-controlling shareholder to subsidiaries which are not carried at fair value in the balance sheet is presented in the tables above. The fair value is estimated based on the present value of future cash flows, discounted at the market rate of interest for similar types of lending or borrowing at the end of the reporting period.

(iv) Assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

Except as disclosed in Note 27(d)(iii), management has determined that the carrying amounts of the financial instruments of the Group and the Company reasonably approximate their fair values either due to their short-term nature or because the effect of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended 31 December 2021 and 2020.

29. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Oncology services

The provision of oncology services to Parkway Cancer Centre, a division of Parkway Hospitals Singapore Pte. Ltd., Thu Cuc International General Hospital in Hanoi, Vietnam and Hong Kong Integrated Oncology Centre Holdings Limited. During the year ended 31 December 2021, the Group expanded its oncology services to Beijing and Chongqing, China, through TalkMed Shanshui Medical Centre and Sino-Singapore Cancer Centre which were set up by its subsidiary, Beijing Deyi Shanshui Clinic Co., Ltd. and its joint venture, Sino-Singapore Hospital Management (Chongqing) Co., Ltd. respectively.

(ii) Stem cell related products and services

The provision of services related to processing, culturing and storage of stem cells through a former subsidiary, Stem Med Pte. Ltd. ("**Stem Med**") (disposed on 31 October 2021 and further information about the disposal is included in Note 13(c)), to Parkway Cancer Centre, a division of Parkway Hospitals Singapore Pte. Ltd., StemCord Pte Ltd, the non-controlling shareholder of Stem Med, and other individual customers.

The segment information reported below have included the financial results of Stem Med up to the date of disposal, 31 October 2021.

(iii) Cellular and gene therapy related products and services

The provision of goods and services related to cellular and gene therapy through its subsidiary, CellVec Pte. Ltd..

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. SEGMENT INFORMATION (CONT'D)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss.

	Group			
	Oncology services S$'000	**Stem cell related products and services S$'000**	**Cellular and gene therapy related products and services S$'000**	**Per consolidated financial statements S$'000**
2021				
Revenue				
External customers, representing total revenue	59,752	795	199	60,746
Results				
Interest income	331	–	2	333
Employee benefits expense	23,047	390	2,607	26,044
Share-based payments expense	512	–	–	512
Depreciation of right-of-use assets	1,715	159	222	2,096
Depreciation of plant and equipment	335	40	17	392
Finance costs on lease liabilities	187	12	20	219
Finance costs on unwinding of discount adjustment of loans to subsidiaries	–	43	129	172
Share of results of associate	57	–	–	57
Share of results of joint ventures	1,018	–	–	1,018
Gain on disposal of a subsidiary	996	–	–	996
Income tax expense	5,858	–	–	5,858
Segment profit/(loss)	26,502	(535)	(4,539)	21,428
Assets				
Investment in associate	2,242	–	–	2,242
Investment in joint ventures	4,102	–	–	4,102
Investment securities	1,093	–	–	1,093
Segment assets	95,851	–	5,497	101,348
Total assets	103,288	–	5,497	108,785
Liabilities				
Segment liabilities	17,118	–	4,167	21,285

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. SEGMENT INFORMATION (CONT'D)

	Group			
	Oncology services S$'000	Stem cell related products and services S$'000	Cellular and gene therapy related products and services S$'000	Per consolidated financial statements S$'000
2020				
Revenue				
External customers, representing total revenue	61,108	905	123	62,136
Results				
Interest income	706	–	3	709
Employee benefits expense	21,166	446	2,763	24,375
Share-based payments expense	2,112	–	–	2,112
Depreciation of right-of-use assets	1,676	212	202	2,090
Depreciation of plant and equipment	10	92	1,321	1,423
Finance costs on lease liabilities	201	14	22	237
Finance costs on unwinding of discount adjustment of loans to subsidiaries	–	164	122	286
Impairment loss on plant and equipment	–	–	3,407	3,407
Share of results of associate	1,044	–	–	1,044
Share of results of joint venture	41	–	–	41
Income tax expense	6,290	–	–	6,290
Segment profit/(loss)	28,479	(722)	(9,240)	18,517
Assets				
Investment in associate	2,299	–	–	2,299
Investment in joint venture	4,811	–	–	4,811
Segment assets	93,206	2,097	2,207	97,510
Total assets	100,316	2,097	2,207	104,620
Liabilities				
Segment liabilities	18,281	4,245	3,339	25,865

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers whom the Group renders billings to and where the assets are located respectively are as follows:

	Revenue		Non-current assets	
	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000
Group				
Singapore	**59,577**	61,261	**5,221**	2,644
China and Hong Kong	**887**	404	**3,703**	3,553
Vietnam	**126**	185	**–**	–
Malaysia	**35**	150	**–**	–
Indonesia	**9**	16	**–**	–
Australia	**90**	117	**–**	–
Others	**22**	3	**–**	–
	60,746	62,136	**8,924**	6,197

Non-current assets information presented above consists of plant and equipment, right-of-use assets, prepaid operating expenses and trade receivables as presented in the statement of financial position of the Group.

Information about a major customer

Revenue from one major customer, Parkway Cancer Centre, a division of Parkway Hospitals Singapore Pte. Ltd., amounted to S$59,046,000 (2020: S$60,825,000) and arose from the provision of oncology and stem cells services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. DIVIDENDS

	Group and Company	
	2021	**2020**
	S$'000	**S$'000**
Declared and paid during the year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividend for 2020: 0.75 cents (2019: 1.30 cents) per share	**9,900[1]**	17,134[3]
– First interim exempt (one-tier) dividend for 2021: 0.70 cents (2020: 0.60 cents) per share	**9,241**	7,908
	19,141	25,042
Proposed dividends to the Company's shareholders but not recognised as a liability as at 31 December:		
– Final exempt (one-tier) dividend for 2021: 0.90 cents (2020: 0.75 cents) per share	**11,898[2]**	9,900[1]

[1] The final dividend paid to shareholders and the proposed final dividend (as previously disclosed in the full year announcement for FY 2020) were S$9,900,000 and S$9,885,000 respectively. The difference of S$15,000 between the final dividend paid and the proposed final dividend to be paid to shareholders for 2020 arose due to the dividends paid on 1,966,931 ordinary shares issued on 15 March 2021. 1,966,931 ordinary shares were allotted and issued on 15 March 2021 pursuant to the vesting of certain performance shares awarded to employees of the Group in March 2020. These newly allotted ordinary shares were eligible for the final dividend which was paid on 11 May 2021.

[2] The final dividend to be paid to shareholders, subject to shareholders' approval at the forthcoming annual general meeting, and the proposed final dividend (as previously disclosed in the full year announcement for the year ended 31 December 2021) were S$11,898,000 and S$11,881,000 respectively. The difference of S$17,000 between the proposed final dividend as disclosed in the full year announcement for 2021 and the proposed final dividend to be paid to shareholders for 2021 arose due to the dividends to be paid on 1,945,209 ordinary shares issued on 14 March 2022. 1,945,209 ordinary shares have been allotted and issued on 14 March 2022 pursuant to the vesting of certain performance shares awarded to employees of the Group in March 2020. These newly allotted ordinary shares would be eligible for the final dividend expected to be paid on 11 May 2022.

[3] The final dividend paid to shareholders and the proposed final dividend (as previously disclosed in the full year announcement and annual report for the year ended 31 December 2019) were S$17,134,000 and S$17,089,000 respectively. The difference of S$45,000 between the final dividend paid and the proposed final dividend to be paid to shareholders for 2019 arose due to the dividends paid on 3,465,423 ordinary shares issued on 13 March 2020. 3,465,423 ordinary shares were allotted and issued on 13 March 2020 pursuant to the immediate vesting of certain performance shares awarded to employees of the Group in March 2020. These newly allotted ordinary shares were eligible for the final dividend which was paid on 11 May 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Allotment and issuance of ordinary shares pursuant to the PSP

In March 2022, the Company allotted and issued 1,945,209 ordinary shares in the capital of the Company, pursuant to the vesting of certain performance shares granted in March 2020. The newly issued shares rank pari passu in all respects with the existing issued shares of the Company.

Consequently, the total number of issued and fully-paid ordinary shares of the Company increased from 1,320,109,347 to 1,322,054,556.

(b) Application to transfer listing from the Catalist Board to the Mainboard of The Singapore Exchange Securities Trading Limited

The Board of Directors of the Company announced that the Company intends to undertake the proposed transfer of the listing of the Company from the Catalist Board of The Singapore Exchange Securities Trading Limited ("**SGX-ST**") to the Mainboard of the SGX-ST (the "**Proposed Transfer**"), and that the Company has, on 25 February 2022, submitted an application to the SGX-ST in relation to the Proposed Transfer. The Company has obtained the approval in-principle from the SGX-ST in relation to the Proposed Transfer on 25 March 2022.

32. IMPACT OF COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, movement controls and other measures imposed by the various governments. These have negatively impacted the Group's operations in 2020 and 2021 resulting in a negative impact on the Group's financial performance for 2020 and 2021. Travel restrictions imposed by governments around the world are expected to continue to impact the patient flow to the Group's operations in Hong Kong and Singapore, as foreign patients accounted for part of the Group's patient load. As disclosed in Note 5 to the financial statements, the Group has received grant income, property tax rebate and rental waiver.

The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. As the global COVID-19 situation remains fluid as at the date these financial statements were authorised for issue, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 pandemic on the operating and financial performance for the financial year ending 31 December 2022.

33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of directors on 30 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2022

ISSUED AND FULLY PAID UP CAPITAL	:	S$24,997,921
NO. OF SHARES ISSUED	:	1,322,054,556
NO. OF SHARES ISSUED (excluding Treasury Shares and Subsidiary Holdings[1])	:	1,322,054,556
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS (excluding Treasury Shares and Subsidiary Holdings[1])	:	1 VOTE PER SHARE
TREASURY SHARES	:	NIL
NUMBER OF SUBSIDIARY HOLDINGS[1]	:	NIL
PERCENTAGE OF TREASURY SHARES AND SUBSIDIARY HOLDINGS[1]	:	NIL[2]

Notes:

(1) "**Subsidiary Holdings**" means any Issued Shares of the Company held by its subsidiaries (as referred to in the Singapore Companies Act 1967 of Singapore).

(2) Percentage calculated against the number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings).

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	NIL	NIL	NIL	NIL
100 – 1,000	61	6.67	40,600	0.00
1,001 – 10,000	373	40.81	2,379,700	0.18
10,001 – 1,000,000	460	50.33	34,505,417	2.61
1,000,001 & above	20	2.19	1,285,128,839	97.21
TOTAL	914	100.00	1,322,054,556	100.00

TOP TWENTY SHAREHOLDERS AS AT 15 MARCH 2022

	NO. OF SHARES	%
CITIBANK NOMINEES SINGAPORE PTE LTD	940,110,500	71.11
UOB KAY HIAN PTE LTD	97,645,200	7.39
DR KHOO KEI SIONG	69,360,000	5.25
HSBC (SINGAPORE) NOMINEES PTE LTD	49,749,700	3.76
DR LIM HONG LIANG	47,472,000	3.59
RAFFLES NOMINEES (PTE.) LIMITED	42,289,600	3.20
DBS NOMINEES (PRIVATE) LIMITED	10,181,748	0.77
DR SEE HUI TI	6,096,623	0.46
LIM BEE KOK	4,875,000	0.37
DR FOO KIAN FONG	2,813,890	0.21
LAI JASON JUSTIN	2,020,000	0.15
THNG YONGXIAN (TANG YONGXIAN)	1,681,100	0.13
CHAN JIN HOE	1,600,000	0.12
NG LIN CHIEH KELVIN	1,500,000	0.11
TAN FAN HAO MATTHEW	1,500,000	0.11
TAN YII HSIEN BARNABAS (CHEN YUXIAN BARNABAS)	1,500,000	0.11
SNG SU YING MARIAN	1,390,000	0.11
DR ZEE YING KIAT	1,185,339	0.09
DR KOK JAAN YANG	1,080,139	0.08
CHENG TIM JENG	1,078,000	0.08
	1,285,128,839	97.20

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2022

SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST NO. OF SHARES	%	DEEMED INTEREST NO. OF SHARES	%	TOTAL NO. OF SHARES	%
LADYHILL HOLDINGS PTE. LTD.(1)	–	–	858,912,000	64.97	858,912,000	64.97
DR KHOO KEI SIONG(2)	69,360,000	5.25	30,000,000	2.27	99,360,000	7.52
DR TEO CHENG PENG(3)	–	–	98,256,000	7.43	98,256,000	7.43
DR ANG PENG TIAM(4)	–	–	858,912,000	64.97	858,912,000	64.97
MDM CHUA SIOK LIN(4)	–	–	858,912,000	64.97	858,912,000	64.97

Notes:

(1) Ladyhill Holdings Pte. Ltd. is deemed interested in the 858,912,000 shares of the Company held through Citibank Nominees Singapore Pte Ltd.

(2) Dr Khoo Kei Siong is deemed interested in the 10,000,000 shares and 20,000,000 shares of the Company held through Raffles Nominees (Pte.) Limited and HSBC (Singapore) Nominees Pte Ltd respectively.

(3) Dr Teo Cheng Peng is deemed interested in the 78,604,800 shares and 19,651,200 shares of the Company held through Citibank Nominees Singapore Pte Ltd and HSBC (Singapore) Nominees Pte Ltd respectively.

(4) Dr Ang Peng Tiam and Mdm Chua Siok Lin are spouses. Dr Ang Peng Tiam and Mdm Chua Siok Lin are deemed to be interested in the ordinary shares held by Ladyhill Holdings Pte. Ltd. by virtue of Section 7 of the Singapore Companies Act 1967.

SHAREHOLDING HELD IN PUBLIC HANDS

As at 15 March 2022, approximately 15.93% of the issued ordinary shares of the Company was held in the hands of the public. Accordingly, the Company had complied with Rule 723 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting ("**AGM**") of TalkMed Group Limited will be convened and held by way of electronic means on Thursday, 21 April 2022 at 6:00 p.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021, together with the Auditor's Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax-exempt dividend of 0.90 Singapore cent per ordinary share in respect of the financial year ended 31 December 2021. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$500,000 for the financial year ending 31 December 2022 to be paid quarterly in arrears (2021: S$380,000). **(Resolution 3)**

4. To re-elect the following Directors who retire by rotation pursuant to Regulation 91 of the Company's Constitution, and who, being eligible, offer themselves for re-election:

   Dr Ang Peng Tiam
   [Please see Explanatory Note (i)] **(Resolution 4)**

   Dr Khoo Kei Siong
   [Please see Explanatory Note (ii)] **(Resolution 5)**

   Mr Sitoh Yih Pin
   [Please see Explanatory Note (iii)] **(Resolution 6)**

5. Contingent upon the passing of Ordinary Resolution 6 above, shareholders to approve Mr Sitoh Yih Pin's continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(A) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), and such Resolution shall remain in force until the earlier of the following: (i) Mr Sitoh Yih Pin's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution. [Please see Explanatory Note (iv)] **(Resolution 7)**

6. Contingent upon the passing of Ordinary Resolutions 6 and 7 above, shareholders (excluding the Directors and the Chief Executive Officer ("**CEO**") of the Company, and the respective associates of such Directors and CEO) to approve Mr Sitoh Yih Pin's continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules, and such Resolution shall remain in force until the earlier of the following: (i) Mr Sitoh Yih Pin's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution. [Please see Explanatory Note (iv)] **(Resolution 8)**

7. To re-elect Ms Leong Ching Ching, who is retiring as a Director under Regulation 97 of the Company's Constitution, and who, being eligible, offers herself for re-election. [Please see Explanatory Note (v)] **(Resolution 9)**

8. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 10)**

9. To transact any other ordinary business which may properly be transacted at an AGM.

NOTICE OF NINTH ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

10. Authority to issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and the listing rules of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (1) issue shares in the Company ("**Shares**") whether by way of rights issue, bonus issue or otherwise; and/or

(2) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

(1) the aggregate number of Shares (including the Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including the Shares in pursuance of the Instruments made or granted pursuant to this Resolution) and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards, which were issued and outstanding or subsisting at the time this Resolution is passed, provided that such share options or share awards were granted in compliance with part VIII of Chapter 8 of the listing rules of the SGX-ST; and

NOTICE OF NINTH ANNUAL GENERAL MEETING

(ii) any subsequent bonus issue, consolidation or subdivision of Shares,

and, in paragraph (1) above and this paragraph (2), “subsidiary holdings” has the meaning given to it in the listing rules of the SGX-ST;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.
[Please see Explanatory Note (vi)] **(Resolution 11)**

BY ORDER OF THE BOARD

LEE BOON YONG
LIM HENG CHONG BENNY
JACQUELINE ANNE LOW
Joint Company Secretaries

Singapore, 4 April 2022

NOTICE OF NINTH ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Key information on Dr Ang Peng Tiam, who is seeking re-election as a Director of the Company under Ordinary Resolution 4, is found under the sections headed "Board of Directors" and "Additional Information on Directors Seeking Re-Election or Continued Appointment" of the Annual Report. Dr Ang Peng Tiam will, upon re-election as Director of the Company, remain as an Executive Director and Chief Executive Officer, and a member of the Nominating Committee of the Company.

(ii) Key information on Dr Khoo Kei Siong, who is seeking re-election as a Director of the Company under Ordinary Resolution 5, is found under the sections headed "Board of Directors" and "Additional Information on Directors Seeking Re-Election or Continued Appointment" of the Annual Report. Dr Khoo Kei Siong will, upon re-election as Director of the Company, remain as an Executive Director and Chief Operating Officer of the Company.

(iii) Key information on Mr Sitoh Yih Pin, who is seeking re-election as a Director of the Company under Ordinary Resolution 6, is found under the sections headed "Board of Directors" and "Additional Information on Directors Seeking Re-Election or Continued Appointment" of the Annual Report. Mr Sitoh Yih Pin will, upon re-election as Director of the Company, remain as an Independent Director and Chairman of the Audit and Risk Committee and a member of the Remuneration Committee of the Company, and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. There are no relationships (including immediate family relationships) between Mr Sitoh Yih Pin and the other Directors, the Company or its substantial shareholders.

(iv) Ordinary Resolutions 7 and 8 are proposed for the purposes of Rule 406(3)(d)(iii) of the Catalist Rules of the SGX-ST which took effect on 1 January 2022.

Rule 406(3)(d)(iii) of the Catalist Rules provides that a Director will not be independent if he has been a Director for an aggregate period of more than nine (9) years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the CEO of the Company, and their respective associates (as defined in the Catalist Rules of the SGX-ST) ("**Two-Tier Voting**").

Mr Sitoh Yih Pin's continued appointment as an Independent Director of the Company was approved through the Two-Tier Voting process at the AGM held on 20 April 2021. However, as such approval under Rule 406(3)(d)(iii) is valid until the earlier of: (i) the retirement or resignation of the Independent Director; or (ii) the conclusion of the third AGM of the Company following the passing of these resolutions, and Mr Sitoh Yih Pin is due for retirement by rotation at the forthcoming AGM under Regulation 91 of the Company's Constitution, he is required to seek the requisite approval from shareholders for his continued appointment as an Independent Director at the forthcoming AGM.

The Board of Directors (the "**Board**") and the Nominating Committee have evaluated the participation of Mr Sitoh Yih Pin at the Board and Board committee meetings, and determined that Mr Sitoh Yih Pin continues to display independent thinking and the ability to exercise objective judgement during decision-making, and that his length of service did not in any way interfere with his exercise of independent judgement nor hinder his ability to act in the best interests of the Company. In addition, Mr Sitoh Yih Pin fulfils the definition of an Independent Director in the Catalist Rules and the Code of Corporate Governance 2018.

(v) Key information on Ms Leong Ching Ching, who is seeking re-election as a Director of the Company under Ordinary Resolution 9, is found under the sections headed "Board of Directors" and "Additional Information on Directors Seeking Re-Election or Continued Appointment" of the Annual Report. Ms Leong Ching Ching will, upon re-election as Director of the Company, remain as a Non-Independent Non-Executive Director and a member of the Remuneration Committee of the Company.

(vi) Ordinary Resolution 11 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro-rata basis to existing shareholders of the Company. The percentages set out in the foregoing are in compliance with the relevant listing rules of the SGX-ST applicable to issuers listed on the Mainboard of the SGX-ST, to which the Company is proposing to transfer its listing from Catalist ("**Proposed Transfer**"), by seeking the approval of the Company's shareholders at an extraordinary general meeting to be held after the forthcoming AGM, the Company having obtained the approval-in-principle from the SGX-ST in respect of the Proposed Transfer. Please refer to the Company's Circular to Shareholders dated 30 March 2022 for details of the Proposed Transfer.

NOTICE OF NINTH ANNUAL GENERAL MEETING

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will be sent to members. This Notice will also be published on the Company's website at the URL https://www.talkmed.com.sg/, and on SGX's website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to, among others, attendance, submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or voting by appointing the Chairman of the Meeting as proxy at the AGM are set out in a letter to Shareholders dated 4 April 2022 which has been uploaded together with this Notice of AGM on SGXNet on the same day, and may be accessed at the Company's website at the URL https://www.talkmed.com.sg/, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements. Members of the Company can participate in the AGM by:

   (a) watching or listening to the AGM proceedings via a "live" audio-visual conference via his/her/its mobile phones, tablets or computers;

   (b) submitting questions ahead of the AGM; and

   (c) voting by appointing the Chairman of the Meeting as proxy at the AGM.

3. A member of the Company may submit questions relating to the resolutions to be tabled for approval at the AGM using the registration link at https://www.talkmed.com.sg/registration-annual-general-meeting-2022/. All questions must be submitted by 12 April 2022 (6.00 p.m.).

4. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must submit his/her/its Proxy Form appointing the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the AGM. The accompanying Proxy Form for the AGM may be accessed at the Company's website at the URL https://www.talkmed.com.sg/, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/companyannouncements.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM, i.e. by 5.00 p.m. on 8 April 2022.

   * Pursuant to Section 181 of the Companies Act 1967, a Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company at 101 Thomson Road, #09-02 United Square, Singapore 307591; or

   (b) if submitted electronically, be submitted via email to the Company at proxyform@talkmed.com.sg,

   in either case, not less than forty-eight (48) hours before the time appointed for the AGM.

   A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the COVID-19 related safe distancing measures, and as a safety precaution to prevent the transmission of the COVID-19 virus, members are strongly encouraged to submit completed proxy forms electronically via email, where possible.

NOTICE OF NINTH ANNUAL GENERAL MEETING

7. The 2021 Annual Report may be accessed at the Company's website at the URL https://www.talkmed.com.sg/, and will also be available for viewing and download on SGX's website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the 2021 Annual Report will not be sent to members. Members who wish to receive a printed copy of the 2021 Annual Report will need to complete and submit a Request Form (which can be found in the letter to Shareholders dated 4 April 2022) to the Company by 12 April 2022. The printed copies of the letter to Shareholders dated 4 April 2022 will be sent to members together with the Notice of AGM and Proxy Form. The letter to Shareholders dated 4 April 2022 may also be accessed at the Company's website at the URL https://www.talkmed.com.sg/, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements.

8. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice. The contact person for the Sponsor is Mr Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581. Telephone number: (65) 6415 9886.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

Additional Information on Directors seeking Re-election or Continued Appointment pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist ("Catalist Rules") of Singapore Exchange Securities Trading Limited ("SGX-ST")

Dr Ang Peng Tiam, Dr Khoo Kei Siong, Mr Sitoh Yih Pin and Ms Leong Ching Ching are the Directors seeking re-election and/or continued appointment at the forthcoming annual general meeting of the Company to be convened on 21 April 2022 ("**AGM**") under Ordinary Resolutions 4 to 9 as set out in the Notice of AGM dated 4 April 2022.

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the additional information relating to the Directors seeking re-election as set out in Appendix 7F is set out below, to be read in conjunction with the information set out under "Board of Directors" and the "Corporate Governance Report" on pages 9 to 14 and pages 16 to 36, respectively of this Annual Report:

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board considered the recommendation of the Nominating Committee (with Dr Ang abstaining from the decision-making process), and is satisfied that Dr Ang possesses the experience, expertise, knowledge and skills to provide valuable contributions to the Board	The Board considered the recommendation of the Nominating Committee, and is satisfied that Dr Khoo possesses the experience, expertise, knowledge and skills to provide valuable contributions to the Board	The Board considered the recommendation of the Nominating Committee, and is satisfied that Mr Sitoh is able to exercise independent judgement and provide valuable contributions to the Board	The Board considered the recommendation of the Nominating Committee, and is satisfied that Ms Leong who possesses 20 years of experience in public and investor relations, will provide valuable contributions to the Board and will also fulfil the Company's gender diversity requirement
Whether appointment is executive, and if so, the area of responsibility	Executive, Dr Ang provides the vision and the strategic direction for our Group	Executive, Dr Khoo oversees the daily administrative and operational functions of our Group	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer, Member of Nominating Committee	Executive Director and Chief Operating Officer	Independent Director, Chairman of Audit and Risk Committee and Member of Remuneration Committee	Non Executive Director, Member of Remuneration Committee

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
Working experience and occupation(s) during the past 10 years	Medical Director and Senior Consultant of Parkway Cancer Centre at Mount Elizabeth Hospital	Deputy Medical Director and Senior Consultant of Parkway Cancer Centre at Gleneagles Hospital	Chartered Accountant	2021– Present **Vice Provost (Student Life)** Office of the Senior Deputy President and Provost 2020 – 2021 **Dean** Office of Student Affairs, National University of Singapore 2019 – Present **Associate Professor** National University of Singapore, Lee Kuan Yew School of Public Policy 2017 – 2019 **Co-Director** Institute of Water Policy, National University of Singapore 2015 – 2019 **Assistant Professor** National University of Singapore, Lee Kuan Yew School of Public Policy 2014 **Senior Research Fellow** National University of Singapore, Lee Kuan Yew School of Public Policy 2012 – 2013 **Lecturer** College of Alice and Peter Tan, National University of Singapore

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
Shareholding interest in the listed issuer and its subsidiaries	Dr Ang is deemed to be interested in the 858,912,000 ordinary shares held by the holding company, Ladyhill Holdings Pte. Ltd., in the Company	Dr Khoo has a direct interest of 69,360,000 ordinary shares in the Company and deemed interest of 10,000,000 and 20,000,000 ordinary shares of the Company held through Raffles Nominees (Pte.) Limited and HSBC (Singapore) Nominees Pte Ltd respectively	No	Ms Leong has a direct interest of 180,000 ordinary shares in the Company and deemed interest of 120,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	None
Conflict of interests (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 702(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments Including Directorships				
Past (for the last 5 years)	None	– Academy of Medicine Singapore	– ISEC Healthcare Ltd – PAP Community Foundation – Nexia TS Public Accounting Corporation	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
Present	Please refer to the information set out under "Board of Directors" on page 10 of this Annual Report	Please refer to the information set out under "Board of Directors" on page 11 of this Annual Report	Please refer to the information set out under "Board of Directors" on page 12 of this Annual Report	Please refer to the information set out under "Board of Directors" on page 14 of this Annual Report
INFORMATION REQUIRED PURSUANT TO CATALIST RULES 704(6)				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
(c) Whether there is any unsatisfied judgement against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	Yes. Further to an inquiry conducted by the Disciplinary Tribunal of the Singapore Medical Council, Dr Ang was given an eight-month suspension commencing from 25 July 2017 by the Court of Three Judges.	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– **(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or**	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

DETAILS	Dr Ang Peng Tiam	Dr Khoo Kei Siong	Mr Sitoh Yih Pin	Ms Leong Ching Ching
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?**	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. Further to an inquiry conducted by the Disciplinary Tribunal of the Singapore Medical Council, Dr Ang was given an eight-month suspension commencing from 25 July 2017 by the Court of Three Judges.	No	No	No

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TALKMED GROUP LIMITED

(Company Registration No. 201324565Z)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please read the notes overleaf before completing the Proxy Form)

IMPORTANT:

*Alternative Arrangements for Annual General Meeting (the "**AGM**" or "**Meeting**")*

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed physical copies of the Notice of the AGM, Proxy Form and a letter to Shareholders dated 4 April 2022 will be sent to members. The Notice of the AGM, Proxy Form and the letter to Shareholders dated 4 April 2022 will also be published on the Company's website at the URL https://www.talkmed.com.sg/, and on SGX's website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast conference), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions prior to the AGM, and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the letter to Shareholders dated 4 April 2022. This announcement may be accessed at the Company's website at the URL https://www.talkmed.com.sg/, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements.
3. **In view of the COVID-19 related safe distancing measures, and as a safety precaution to prevent the transmission of the COVID-19 virus, members will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend and vote on his/her/its behalf at the AGM.**

*Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") Investors*

5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 8 April 2022.

Personal Data

6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 4 April 2022.

I/We, ______________________________ (Name) ______________________ (NRIC/Passport number)

of ____ (Address)

being a member/members of TALKMED GROUP LIMITED (the "**Company**"), hereby appoint the Chairman of the AGM as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on Thursday, 21 April 2022 at 6.00 p.m., and at any adjournment thereof. I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or abstain from voting on, the Resolutions to be proposed at the AGM as indicated hereunder:

No.	Resolutions relating to:	*For	*Against	*Abstain
1.	Adoption of Directors' Statement and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021, together with the Auditor's Report thereon			
2.	Approval of final one-tier tax-exempt dividend of 0.90 Singapore cent per ordinary share in respect of the financial year ended 31 December 2021			
3.	Approval of Directors' fees of S$500,000 for the financial year ending 31 December 2022 to be paid quarterly in arrears			
4.	Re-election of Dr Ang Peng Tiam as a Director of the Company pursuant to Regulation 91 of the Company's Constitution			
5.	Re-election of Dr Khoo Kei Siong as a Director of the Company pursuant to Regulation 91 of the Company's Constitution			
6.	Re-election of Mr Sitoh Yih Pin as a Director of the Company pursuant to Regulation 91 of the Company's Constitution			
7.	Approval of the continued appointment of Mr Sitoh Yih Pin as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules			
8.	Approval of the continued appointment of Mr Sitoh Yih Pin as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules			
9.	Re-election of Ms Leong Ching Ching as a Director of the Company pursuant to Regulation 97 of the Company's Constitution			
10.	Re-appointment of Messrs Ernst & Young LLP as Auditor and to authorise the Directors of the Company to fix their remuneration			
11.	Authority to allot and issue new Shares			

* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "**For**" or "**Against**" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "**For**" and "**Against**" the relevant resolution, please insert the relevant number of shares in the boxes provided. If you wish the Chairman of the Meeting as your proxy to abstain from voting on any resolution, please tick (√) in the "**Abstain**" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this ________ day of ____________________, 2022

Total number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

____
Signature(s) or Common Seal of member(s)

IMPORTANT: Please read notes overleaf

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to all the Shares held by you.
2. This proxy form may be accessed at the Company's website at the URL https://www.talkmed.com.sg/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 8 April 2022.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
   (a) if submitted by post, be lodged with the Company at 101 Thomson Road, #09-02 United Square, Singapore 307591; or
   (b) if submitted electronically, be submitted via email to the Company at proxyform@talkmed.com.sg,

   in either case not less than forty-eight (48) hours before the time appointed for the AGM.

Fold along this line

Affix Postage Stamp Here

The Company Secretary
TALKMED GROUP LIMITED
101 Thomson Road
#09-02 United Square
Singapore 307591

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A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the COVID-19 related safe distancing measures, and as a safety precaution to prevent the transmission of the COVID-19 virus, members are strongly encouraged to submit completed proxy forms electronically via email, where possible.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or by his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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Singapore 307591