



INCORPORATION OF A NEW SUBSIDIARY: STEM MED PTE. LTD. AND USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

1. INCORPORATION OF A NEW SUBSIDIARY: STEM MED PTE. LTD.

The Board of Directors of TalkMed Group Limited (the “**Company**”), together with its subsidiaries (the “**Group**”) wishes to announce that the Company had entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) on 20 January 2015 with StemCord Pte. Ltd.⁽¹⁾ (“**StemCord**”) to incorporate Stem Med Pte. Ltd. (“**Stem Med**”) (Company Registration Number 201502160E) on 21 January 2015 with a registered capital of S\$3,000,000 (the “**Investment**”). The principal activity of Stem Med is for the provision of medical services related to cellular therapy.

The total commitment by the Company in Stem Med represents 60 per cent of the registered capital of Stem Med (SGD1,800,000). The remaining 40 per cent of the registered capital of Stem Med (SGD1,200,000) is contributed by StemCord.

The Company’s share of the Investment is funded using the proceeds from the Company’s initial public offering and is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the current financial year ending 31 December 2015.

Save for Dr Ang Peng Tiam, a Director and a controlling shareholder of the Company and Dr Teo Cheng Peng, a substantial shareholder of the Company, who are also directors and substantial shareholders of StemCord, holding 17.35% and 35.66% interests respectively in StemCord, none of the other Directors, controlling shareholders or other substantial shareholders of the Company has any interest, direct or indirect, in the transaction contemplated herein.

Based on the Shareholders’ Agreement to govern the operations of Stem Med, the Audit Committee and the Board of the Company are of the view that the risks and rewards of the investment are in proportion to the equity held by the Company and StemCord respectively and the terms of the Investment are not prejudicial to the interests of the Company and its minority shareholders.

Note:

⁽¹⁾ StemCord provides the collection, processing and storage of stem cells from cord blood, bone marrows and peripheral blood.

2. USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Board of Directors (the “**Board**”) of TalkMed Group Limited (the “**Company**”) refers to the Company’s offer document dated 17 January 2014 (the “**Offer Document**”) in relation to its initial public offering (“**IPO**”) and listing on the Catalyst Board of the Singapore Exchange Securities Trading Limited, and wishes to provide an update on the use of the proceeds from the IPO (the “**IPO Proceeds**”).

Pursuant to the incorporation of Stem Med, there has been a material utilisation of the IPO Proceeds of SGD1,800,000 to fund the Investment. The table below sets out the IPO Proceeds utilisation:-



	Allocation of IPO Proceeds (S\$'000)	IPO Proceeds utilised following the Investment (S\$'000)	Balance of IPO Proceeds following the Investment (S\$'000)
Expanding repertoire of talent pool/ healthcare services	10,381	1,800	8,581
Overseas expansion/ improving quality of medical services	6,920	-	6,920
Total	17,301	1,800	15,501

The Board is of the view that the above utilisation is in accordance with the disclosure in page 45 of the Offer Document.

The Company will continue to make periodic announcements on the use of the IPO Proceeds as and when the funds are materially disbursed.

By Order of the Board

Lee Boon Yong
Chief Financial Officer
26 January 2015

The Announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of the Announcement.

The Announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of the Announcement, including the correctness of any of the statements or opinions made or reports contained in the Announcement.

The contact person for the Sponsor is Ms. Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay #40-01A Hong Leong Building, Singapore 048581, Telephone: (65) 6415-9886.