



---

## INCORPORATION OF SINO-FOREIGN JOINT VENTURE COMPANY IN CHONGQING MUNICIPALITY, THE PEOPLE'S REPUBLIC OF CHINA

---

### 1. Introduction

The Board of Directors (the "**Board**") of TalkMed Group Limited (the "**Company**") refers to the Company's announcement dated 29 August 2018 on the Entry into Collaboration Framework Agreement with the People's Government of Yongchuan District ("**Yongchuan**"), Chongqing Municipality ("**Chongqing**"), the People's Republic of China ("**PRC**"), and its announcement dated 13 September 2019 on the Entry into an Equity Joint Venture Contract on the Establishment of the Sino-Singapore Oncology Hospital (the "**Joint Venture Contract**").

### 2. Establishment of Joint Venture Company

- 2.1 The Board is pleased to announce that its wholly-owned subsidiary, TalkMed Chongqing Pte. Ltd. ("**TMCQ**") has jointly established a Sino-foreign joint venture company, Sino-Singapore Hospital Management (Chongqing) Co., Ltd. (中新医院管理(重庆)有限公司) ("**SSHM**") in Chongqing, PRC, with Chongqing Yongchuan District People's Hospital ("**YCDPH**").
- 2.2 SSHM has a registered capital of RMB40.0 million (the "**Registered Capital**"), with TMCQ and YCDPH holding 60% and 40% of the equity interest in SSHM respectively.
- 2.3 SSHM will be primarily engaged in (a) hospital management (including hospital logistics management); (b) sale of drugs, consumable and healthcare-related equipment; (c) the provision of wellness management services; and (d) advisory services related to hospital management, in the PRC.
- 2.4 SSHM will also establish and operate a Sino-Singapore oncology hospital in Yongchuan (the "**Hospital**") as previously announced on 13 September 2019.

### 3. Terms of Payment

- 3.1 The Registered Capital of SSHM shall be paid in two (2) tranches in cash by TMCQ and YCDPH as follows:-
  - (a) First tranche (60% of the Registered Capital or RMB24.0 million)

TMCQ and YCDPH will contribute RMB14.4 million and RMB9.6 million respectively within one (1) month from the date of establishment of SSHM; and
  - (b) Second tranche (40% of the Registered Capital or RMB16.0 million)

TMCQ and YCDPH will contribute the remaining RMB9.6 million and RMB6.4 million respectively within one (1) month from the fulfillment of certain conditions (the "**Conditions**") as set out in the Joint Venture Contract (the "**Balance Amount**").
- 3.2 The Balance Amount is payable in accordance with paragraph 3.1(b) above upon the satisfaction of the Conditions set out below:-



- (a) The Hospital obtains all licenses, approvals and certificates that are required for its operation, and completes all registration and record-filing procedures for the commencement of operations;
- (b) The Hospital attains the status of a “Medical Insurance Designated Hospital (医保定点)”;
- (c) YCDPH transfers its oncology department and subject to patients’ consent, all of YCDPH’s suspected and confirmed oncology cases to the Hospital for diagnosis and treatment;
- (d) YCDPH complies with the requirements as set out in the Joint Venture Contract and other relevant legal documents; and
- (e) The representations and warranties that are made by YCDPH in the Joint Venture Contract are true, accurate and complete.

#### 4. Financing

TMCQ’s share of the Registered Capital (amounting to RMB24.0 million) will be funded through internal resources and is not expected to have any significant impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2019.

#### 5. Interests of Directors and Substantial or Controlling Shareholders

None of the Directors and, to the best knowledge of the Directors, none of the substantial shareholders or controlling shareholders of the Company, has any direct or indirect interest in the investment in SSHM.

By Order of the Board

Lee Boon Yong  
Chief Financial Officer  
1 October 2019

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

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