



ANNUAL REPORT **2023**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr S. Chandra Das
(Non-Executive Chairman)

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

(Alternate: Dr Khoo Kei Siong)

Mr Sitoh Yih Pin
(Non-Executive Director)

Prof Leong Ching Ching
(Independent Non-Executive Director)

Mr Peter Sim Swee Yam
(Independent Non-Executive Director)

Mr Lam Kok Shang
(Independent Non-Executive Director)

Dr Tan Khai Tong
(Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE (“ARC”)⁽¹⁾

Mr Lam Kok Shang (Chairman)
Mr Sitoh Yih Pin
Mr Peter Sim Swee Yam

REMUNERATION COMMITTEE (“RC”)⁽²⁾

Prof Leong Ching Ching (Chairperson)
Mr S. Chandra Das
Dr Tan Khai Tong

NOMINATING COMMITTEE (“NC”)⁽³⁾

Mr Peter Sim Swee Yam (Chairman)
Dr Ang Peng Tiam
(Alternate: Dr Khoo Kei Siong)
Mr Lam Kok Shang

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 Medical Centre
#02-02/03/04
Singapore 228510

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

AUDITOR

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

Partner-in-charge:
Ms Tan Peck Yen (appointed since the financial year
ended 31 December 2023)
Chartered Accountant,
a member of the Institute of Singapore Chartered
Accountants

PRINCIPAL BANKER

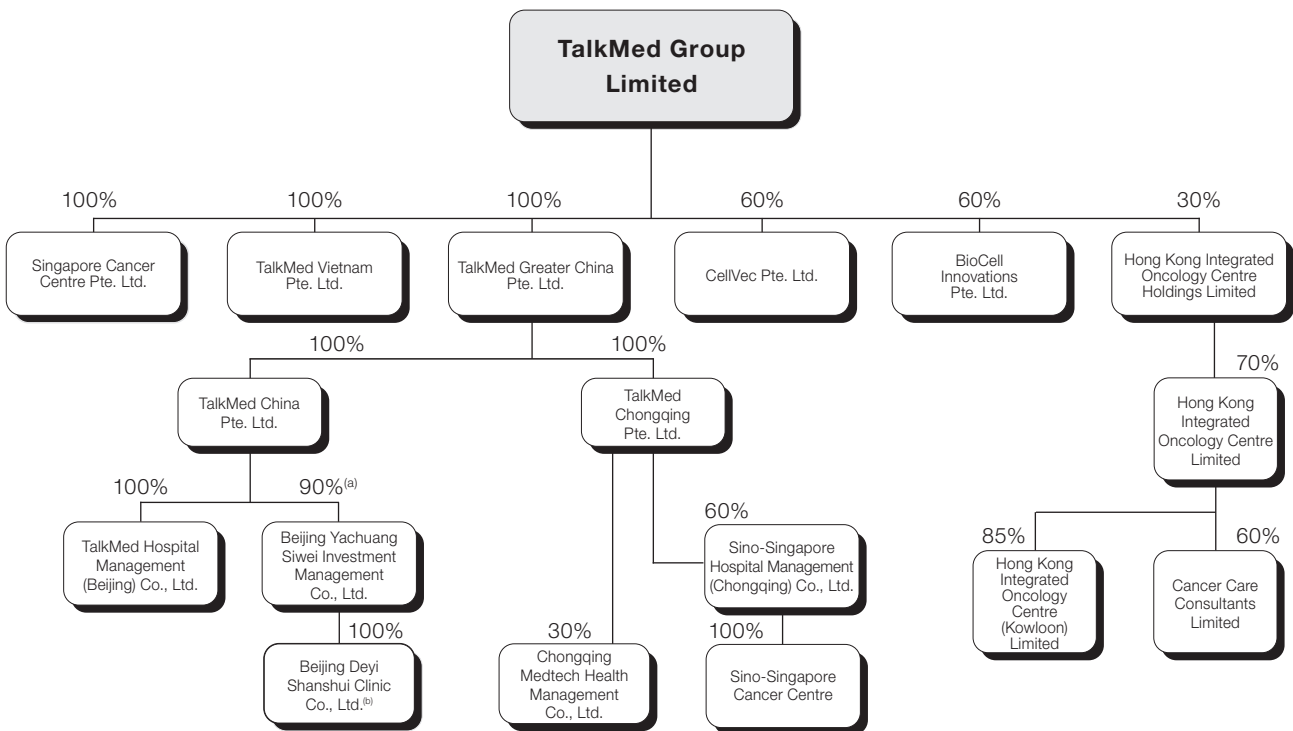
Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#06-00 OCBC Centre
Singapore 049513

Notes:

- (1) In FY2023, Mr Sitoh Yih Pin was the Chairman, and Mr Dan Yock Hian and Mr Lim Jen Howe were the members, of the ARC.
(2) In FY2023, Mr S. Chandra Das was the Chairman, while Mr Sitoh Yih Pin and Prof Leong Ching Ching were the members, of the RC.
(3) In FY2023, Mr S. Chandra Das was the Chairman, while Dr Ang Peng Tiam and Mr Dan Yock Hian were the members, of the NC.

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 successfully transferred from the Catalist board to the Mainboard on 28 April 2022. TalkMed and its group of companies (collectively, the “**Group**”) is 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, Hong Kong and the People’s Republic of China. The Group structure as of March 2024 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 2024, the Group has seventeen 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 more than half of its patient load in the past few years. Many of our patients are from regional countries such as Indonesia, Malaysia and Vietnam.

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

Yachuang is primarily engaged in investment management, hospital management, and healthcare management and consultancy (excluding diagnosis and treatment). Its wholly-owned subsidiary, Beijing Deyi Shanshui Clinic Co., Ltd., operates TalkMed Shanshui Medical Centre (“**TSMC**”), a private medical centre in Beijing, PRC. TSMC commenced operations in August 2021, providing top-notch oncology services and ancillary support for oncology patients in the PRC.

TalkMed Hospital Management (Beijing) Co., Ltd. (“**TMHM**”) is 100% owned by TMC, TMHM’s main focus is to deliver hospital management and advisory services in PRC.

Chongqing

TMCQ, a wholly-owned subsidiary of the Group, was established with the primary objective of delivering healthcare management services in Chongqing, PRC. TMCQ collaborated to form a sino-foreign joint venture entity, Sino-Singapore Hospital Management (Chongqing) Co., Ltd. (“**SSHM**”), in partnership with Chongqing Yongchuan District People’s Hospital (“**YCDPH**”). Within SSHM, TMCQ, and YCDPH hold equity stakes of 60% and 40% respectively.

Through SSHM, the Group operates a category 2A oncology hospital in the Yongchuan District, Western Chongqing, known as Sino-Singapore Cancer Centre (“**SSCC**”) which commenced operations in June 2021.

In August 2021, TMCQ entered another joint venture endeavour, establishing Chongqing Medtech Health Management Co., Ltd. (“**CMHM**”) with 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. CMHM had not commenced operations in 2023.



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 BIOCELL INNOVATIONS PTE. LTD. (“BioCell”)

BioCell is a spin-off subsidiary of CellVec, incorporated on 6 July 2023. BioCell was set up to address the inequalities in the access to medicine with a portfolio of more affordable products with international collaborators. The Group entered into a shareholders’ agreement with StemCord Pte Ltd (“**StemCord**”), and its capital contributions represented 60% of the paid-up share capital of BioCell. The remaining 40% was contributed by StemCord. BioCell had not commenced production in 2023.

ABOUT HONG KONG INTEGRATED ONCOLOGY CENTRE HOLDINGS LIMITED (“HKH”)

HKH is the controlling shareholder of Hong Kong Integrated Oncology Centre Limited (“**HKIOC**”), Hong Kong Integrated Oncology Centre (Kowloon) Limited and Cancer Care Consultants Limited, which provide 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 21.0% in HKIOC. HKIOC currently operates out of three clinics that are located on Hong Kong island and in Kowloon with eleven 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**”), it is my pleasure to present to you our Annual Report for the financial year ended 31 December 2023 (“**FY2023**”).

2023 was another challenging year from a macroeconomic perspective with geopolitical challenges taking centre stage once again, resulting in monetary tightening for most parts of 2023, higher energy prices, and logistical disruptions. Likewise, Singapore’s gross domestic product (“**GDP**”) growth slowed to 1.1% in 2023 driven down by the manufacturing sector.¹ On the bright side, the service sector including the medical tourism industry fared better.

Our country remains a prominent hub for medical tourism due to the quality and specialised expertise we offer. Another important pull factor is the ease of travel and accessibility of Singapore. After pandemic disruptions in 2021 and the first half of 2022, connectivity between Singapore and the surrounding region improved in 2023. As a result, medical tourism has also recovered with foreign patients seeking treatments in Singapore increasing in tandem.

FINANCIAL REVIEW

Income Statement Highlights

TalkMed reported a 9.4% year-on-year (“**yoy**”) revenue growth to S\$83.8 million in FY2023 from S\$76.6 million in FY2022.

Growth was primarily driven by our flagship oncology services segment, which contributed 96.7% of the Group’s revenue. During the period under review, we saw an increase in the number of patient visits in Singapore with the influx of foreign patients being a primary driver. Meanwhile, the Group’s relatively new oncology centres in China and Hong Kong reported a nearly three-fold increase in revenue to S\$2.3 million in FY2023, which also benefitted from the ease of movements in the region.

On the other hand, revenue from our 60%-owned subsidiary, CellVec Pte. Ltd. (“**CellVec**”), came in lower at S\$2.8 million in FY2023 compared to S\$3.2 million in FY2022. CellVec is involved in cellular and gene therapy-related products and services.

Operating expenses increased in FY2023 on higher staff costs due to the increased headcount in Singapore and an increase in laboratory consumables following increased production activities. However, profitability remained robust despite higher operating expenses as TalkMed reported a profit before tax yoy increase of 2.6% to S\$37.8 million in FY2023 due to higher revenue reported.

As a result, we recorded profit attributable to the owners of the Company (“**net profit**”) totalling S\$32.2 million in FY2023, which was a 5.3% yoy increase from last year.

¹ <https://www.straitstimes.com/business/economy/singapore-economy-grew-22-in-q4-mti-keeps-2024-growth-forecast-at-1-to-3>



MESSAGE TO SHAREHOLDERS

Balance Sheet and Cash Flow Highlights

The Group maintained its healthy balance sheet position at the end of FY2023. As of 31 December 2023, our cash and short-term deposits sat at S\$89.9 million which was a S\$9.3 million increment from last year. Furthermore, we also saw an improvement in our net cash flows from operating activities from S\$37.3 million in FY2022 to S\$41.7 million in FY2023.

Dividends

For FY2023, the Group distributed our first interim dividend of 0.90 Singapore cents per share followed by a proposed final dividend of 1.30 Singapore cents per share. The latter will be subjected to shareholders' approval at our upcoming shareholders' annual general meeting to be held on 18 April 2024. The total dividend for FY2023 will sum to 2.20 Singapore cents per share, translating to a dividend payout ratio of 90.6%.

OUTLOOK

With connectivity expected to be back at its optimal level in 2024, the Group is well-positioned to take in the higher patient influx. We will continue to focus on faster and more efficient client servicing across our medical centres. As a key player in the region's medical hub, we aim to streamline our processes and optimise efficiency in delivering cancer treatments to our patients.

In Singapore, our oncology business is well-positioned to capitalise on the foreign patient influx. This trend is consistent to what we have witnessed in the past year after the pandemic. Given the strong demand for medical tourism, the Group will be doubling down efforts to promote this subsegment. On the flip side, we expect some headwinds in local patient demand as the market is still getting accustomed to the Cancer Drug List ("**CDL**") that was introduced in September 2022 and was subsequently expanded to include policyholders under Integrated Shield Plans. Policyholders face lower payouts with CDL upon renewal of their Integrated Shield Plan policies after 1 April 2023. This may result in higher out-of-pocket expenses for cancer treatments and some patients would switch to public institutions for their treatments.

Over in China and Hong Kong, we expect patient numbers to improve given the large total addressable market in the region. Particularly, demand for cancer treatment is expected to increase with the ageing population in Hong Kong. While the pie is big, we will be facing stiffer competition in the radiation oncology sector with the opening of a new private radiation therapy centre in Hong Kong in mid-2024. We will continue our efforts to raise the profiles of our centres through collaborations with hospitals and insurance companies, better recruitment, and exploring new and distinguishable services to compete.

For our cell and gene therapy business, we have successfully delivered batches of lentiviral vectors compliant with current good manufacturing practice ("**cGMP**") regulations to biotech and research clients. With the Investigational New Drug ("**IND**") requirements met and products currently used in clinical trials, CellVec is poised to take on a more diverse range of clientele in 2024, which could potentially increase revenue from this segment.

In FY2023, we have also spun off BioCell Innovations Pte. Ltd. ("**BioCell**") from CellVec with the aim of providing innovative therapies that are more affordable using compassionate-based programmes for patients. This is part of our diversification strategy through which the Group hopes to gain access to the humanised CD 19-Chimeric Antigen Receptor ("**CAR**") market.



MESSAGE TO SHAREHOLDERS

NEW BOARD MEMBERS

In 2024, we are seeing some fresh changes in the Board lineup as we enter a new phase of growth. I want to welcome Dr Tan Khai Tong, Mr Lam Kok Shang, Mr Peter Sim Swee Yam as our new independent non-executive directors and Dr Khoo Kei Siong as our new alternate director to Dr Ang Peng Tiam. I look forward to working with you as we guide TalkMed forward to new heights.

APPRECIATION

I want to also take this opportunity to thank our retired Board members, Mr Dan Yock Hian, Mr Lim Teong Jin George, Mr Lim Jen Howe, and Dr Khoo Kei Siong. Your contribution has not gone unnoticed and we want to thank you for your years of service to TalkMed. Additionally, I wish to extend my deepest gratitude to my fellow Board members for their invaluable insights, vision and excellent counsel.

On behalf of the Board, I would like to extend my sincere gratitude to all employees, including senior management, doctors, staff, and business associates. I am proud of the consistent delivery of top-tier patient services, which has propelled TalkMed to the forefront of the oncological services sector.

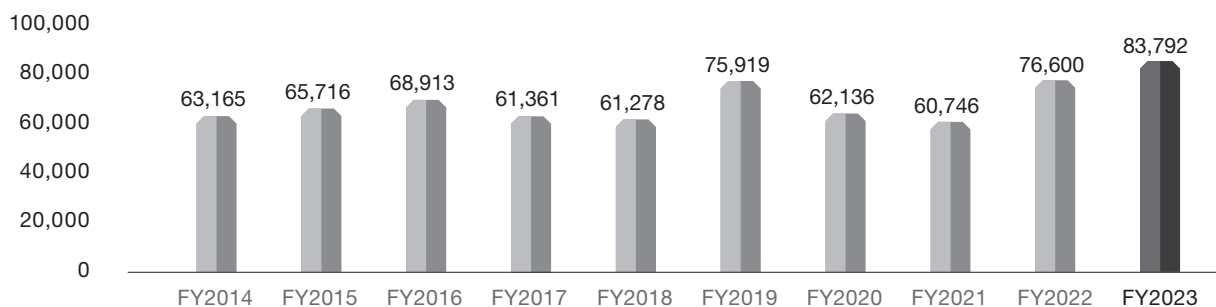
I also want to express appreciation to our shareholders for their unwavering loyalty and support, through both the good and bad. As we embark on a new year, our focus remains on fostering sustainable growth to generate enduring value for all stakeholders.

Mr S. Chandra Das

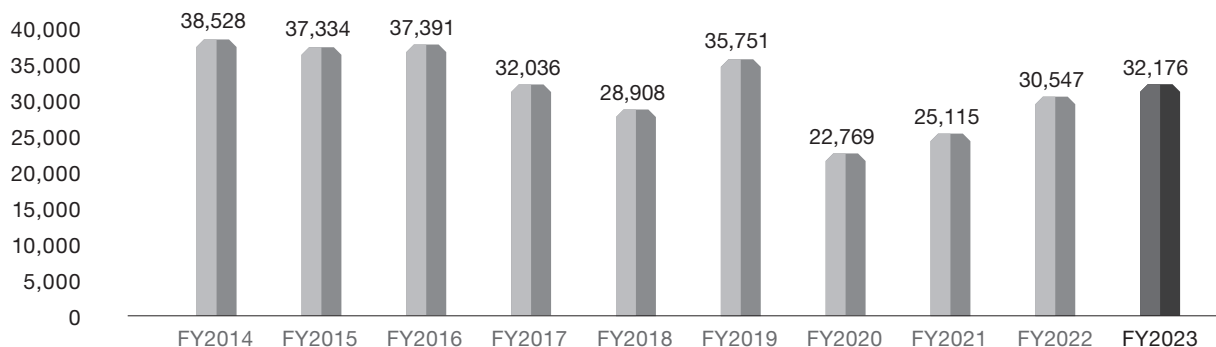
Chairman

FINANCIAL & OPERATIONS HIGHLIGHTS

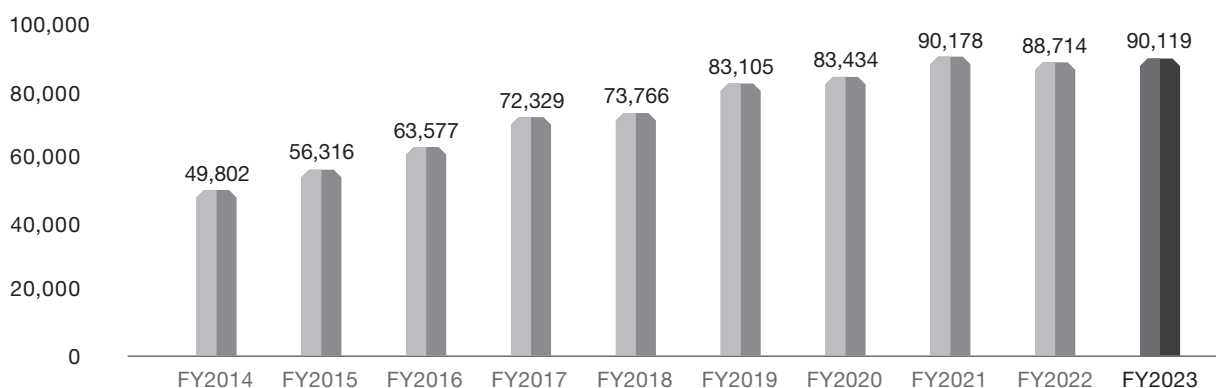
REVENUE (S\$'000)



PROFIT ATTRIBUTABLE TO SHAREHOLDERS (S\$'000)



TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS (S\$'000)



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
NUMBER OF CLINICS⁽¹⁾	8	8	9	8	9	9	9	9	9	9
NUMBER OF DOCTORS	12	13	13	14	15	15	14	15	16	17

⁽¹⁾ This relates to our clinics that are located in Singapore.

BOARD OF DIRECTORS

MR S. CHANDRA DAS, 83

Non-Executive Chairman

Mr S. Chandra Das joined the board as Non-Executive Chairman and Independent Director on 23 December 2013, and was last re-appointed as a director on 20 April 2023. Following the Company's reconstitution of the board on 1 January 2024, Mr Das has been re-designated as a Non-Independent Non-Executive Director. He is also a member of the Remuneration Committee. He is currently the Managing Director of NUR Investment & Trading Pte Ltd. He is an Independent and Non-Executive Director of PSC Corporation Ltd. 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, and as the Ambassador (Non-Resident) to Turkey, Mr Das was awarded the Public Service Star (Bintang Bakti Masyarakat).

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

- Goodhope Asia Holdings Ltd
- Hong Kong Integrated Oncology Centre Holdings Limited
- NEON Group Limited

BOARD OF DIRECTORS

DR ANG PENG TIAM, 65

Executive Director and Group Chief Executive Officer (“CEO”)

Dr Ang Peng Tiam is our Executive Director and Group CEO and he was first appointed to our Board on 10 September 2013, and was last re-appointed as a director on 21 April 2022. 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
- The Anglo-Chinese Schools Foundation Limited
- ACS (International)
- Ladyhill Holdings Pte. Ltd.
- Ladyhill Properties Limited
- TalkMed Vietnam Pte. Ltd.
- Singapore Cancer and Oncology Centre
- Hong Kong Integrated Oncology Centre Holdings Limited
- Hong Kong Integrated Oncology Centre Limited
- TalkMed China Pte. Ltd.
- TalkMed Chongqing Pte. Ltd.
- CellVec Pte. Ltd.
- TalkMed Greater China Pte. Ltd.
- Sino-Singapore Hospital Management (Chongqing) Co., Ltd.
- Sino-Singapore Cancer Centre
- One Door Pte Ltd
- Cell Track Investments Pte Ltd
- Ladyhill Management Pte Ltd
- Ladyhill Investments Pte Ltd

BOARD OF DIRECTORS

DR KHOO KEI SIONG, 62

Alternate Director to Dr Ang Peng Tiam and Group Chief Operating Officer (“COO”)

Dr Khoo Kei Siong is our Group COO and an alternate director to Dr Ang Peng Tiam, our Executive Director. Following the Company’s reconstitution of the board on 1 January 2024, Dr Khoo resigned as an Executive Director. 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.
- Hong Kong Integrated Oncology Centre Holdings Limited
- Hong Kong Integrated Oncology Centre Limited
- TalkMed China Pte. Ltd.
- TalkMed Chongqing Pte. Ltd.
- TalkMed Greater China Pte. Ltd.
- TalkMed Hospital Management (Beijing) Co., Ltd.
- Beijing Yachuang Siwei Investment Management Co., Ltd.
- BioCell Innovations Pte. Ltd.

BOARD OF DIRECTORS

PROF LEONG CHING CHING, 54

Independent Director

Prof Leong Ching Ching is our Independent Director and was first appointed to our Board on 1 October 2021, and was last re-appointed as a director on 21 April 2022. Following the Company's reconstitution of the board on 1 January 2024, Prof Leong has been re-designated as an Independent Non-Executive Director. She is the Chairperson of the Remuneration Committee.

Prof 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.

Prof 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.

MR PETER SIM SWEE YAM, 68

Independent Director

Mr Peter Sim Swee Yam was first appointed to our Board as an Independent Director on 1 January 2024. He serves as Chairman of the Nominating Committee and is also a member of the Audit and Risk Committee. Mr Sim does not hold any shares in the Company or any of its subsidiaries.

He is a practising lawyer and a director of the law firm, Sim Law Practice LLC. He has to-date more than 41 years of legal practice.

He graduated with a Bachelor of Law in 1980 from the University of Singapore, now known as the National University of Singapore. In 2000, he was awarded the Pingat Bakti Masyarakat and the Bintang Bakti Masyarakat in 2008.

Currently, Mr Sim also serves as independent director of the following listed companies, namely Lum Chang Holdings Ltd, ST Group Food Industries Holdings Limited and Singapore Land Group Limited.

Mr Sim has been a director of several listed and unlisted companies for more than 30 years and his other principal commitments (including directorships) are as follows:

- Gravitas Alliance International Pte Ltd
- Casino Regulatory Authority's Patron Dispute Committee

BOARD OF DIRECTORS

MR LAM KOK SHANG, 60

Independent Director

Mr Lam Kok Shang was first appointed to our Board as an Independent Director on 1 January 2024. He serves as Chairman of the Audit and Risk Committee and is also a member of the Nominating Committee. Mr Lam does not hold any shares in the Company or any of its subsidiaries.

Mr Lam is a Chartered Accountant. He is presently a part-time lecturer at the Singapore Tax Academy and he also sits on the GST Committee of the Singapore Institute of Accredited Tax Professionals. He was formerly a partner of KPMG Singapore, heading the Indirect Tax Practice and was a member of the GST Tax Review Board from 2013 to 2018.

Mr Lam has over 36 years of experience working in a public accounting environment, specialising in corporate tax and GST and covering sectors such as, among others, financial services, asset management real estate, government and healthcare.

Mr Lam holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and he is a Graduate of Association of Certified Accountants in the UK. He is a Fellow member of the Institute of Singapore Chartered Accountants and an Australian Chartered Accountant.

DR TAN KHAI TONG, 65

Independent Director

Dr Tan Khai Tong was first appointed to our Board as an Independent Director on 1 January 2024 and is a member of the Remuneration Committee.

Dr Tan is presently a consultant endocrinologist in private practice at Mount Elizabeth Medical Centre. He was on the board of National Healthcare Group from 2014 to 2023.

He studied Medicine at the National University of Singapore. He won the Singapore Medical Association Bronze medal, the Jane Prize in Paediatrics, the Bailey Memorial Medal and the Albert Lim Bronze Medal.

He obtained the degrees of Master of Medicine in Internal Medicine (Singapore) and MRCP (UK) in 1986. He trained in Endocrinology at the Royal Melbourne Hospital and at the Singapore General Hospital.

BOARD OF DIRECTORS

MR SITOH YIH PIN, 60

Non-Executive Director

Mr Sitoh was first appointed to our Board as an Independent Director of the Company on 23 December 2013, and was last re-appointed as a director on 21 April 2022. Following the Company's reconstitution of the board on 1 January 2024, Mr Sitoh has been re-designated as a Non-Independent Non-Executive Director. He is also a member of the Audit and Risk Committee.

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

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

- CLA Global TS Holdings Pte. Ltd.
- CLA Global TS Risk Advisory Pte. Ltd.
- CLA Global TS Tax Services Pte. Ltd.
- CLA Global TS Technology Pte. Ltd.
- CLA Global TS Advisory Pte. Ltd.
- CLA Global TS Advisory Sdn. Bhd.
- TSA Capital Pte Ltd
- TSA Recruitment Consultants Pte Ltd
- 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

KEY MANAGEMENT/EXECUTIVE OFFICERS

Our Executive Officers comprise our Executive Director and Chief Executive Officer, Dr Ang Peng Tiam, our Group Chief Operating Officer, Dr Khoo Kei Siong, and our Group 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

Group Chief Financial Officer (“**CFO**”)

Mr Lee Boon Yong has been serving as the Group Chief Financial Officer since 1 September 2014. He oversees the overall finance functions of both local and overseas entities within the Group, as well as all matters relating to accounting, taxation, risk management, treasury and regulatory compliance. In addition, he is responsible for all corporate matters of the Group, including investor relations, merger and acquisition, collaborations with third parties and the set-up of new entities within the Group.

Mr Lee has more than 20 years in finance-related experience. Prior to joining TalkMed, he was with 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 EY, initially in audit and later in transaction advisory.

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.

SUSTAINABILITY REPORT

ABOUT THIS REPORT AND CONTENTS

TalkMed Group Limited (“**TalkMed**” or the “**Company**”) and its group of companies (the “**Group**”) is pleased to present our seventh Annual Sustainability Report. This report reaffirms our commitment to sustainability and discloses our environmental, social and governance performance for the financial year ended 31 December 2023 (“**FY2023**”). The FY2023 Sustainability Report and associated metrics covers our main operations in Singapore and China as the other locations have minimal operations.

Standards and Framework

The FY2023 Sustainability Report has been prepared with reference to the 2021 Global Reporting Initiative (GRI) Standards. The GRI Content Index on pages 36 and 37 provides the list of GRI references used in this report.

In addition, our Sustainability Report adopts the Singapore Exchange Listing Rules 711A and 711B of the Listing Manual of the Singapore Exchange Securities Trading Limited including climate-related disclosures consistent with the recommendations of the Task Force on Climate-Related Financial Disclosure (“**TCFD**”) where applicable on a comply or explain approach. The sustainability reporting process is subject to an internal review in accordance with Rule 711B(3), which is included in the Group’s risk-based internal audit plan.

External Assurance

We have not sought external assurance for our FY2023 Sustainability Report as such assurance is recommended but not mandatory by the Listing Manual Rule 711B.

Feedback

We value the feedback of our stakeholders and welcome questions you may have on any aspect of our sustainability performance. Please write to enquiries@talkmed.com.sg



SUSTAINABILITY REPORT

SUSTAINABILITY BOARD STATEMENT

TalkMed Group is pleased to present our FY2023 Sustainability Report, which documents our sustainability performance and progress as well as the initiatives that we have adopted to align with our stakeholders' expectations.

The board of directors ("**Board**") recognises its overall duties in providing oversight of the Group's internal controls, risk management and sustainability strategies.

For FY2023, both the Board and Management have:

- Reviewed the material environmental, social and governance ("**ESG**") factors that are relevant to stakeholders of the Group and considered them in formulating the Group's overall business strategies;
- Reviewed climate-related risks and the potential financial impact in the short, medium and long term as part of its overall risk management process;
- Continued our assessment of green-house gas ("**GHG**") emission footprint by collecting Scope 1 and 2 emissions of the Group and establishing baseline targets;
- Initiated scope 3 analysis by evaluating selected scope 3 emissions (i.e. from business travel and employee commuting) of the Group; and
- Evaluated opportunities and action plans associated with climate-related risks.

ENVIRONMENT

The severe and pervasive impacts of climate change, ranging from rising sea levels and extreme weathers, have led to environmental and social issues, affecting businesses worldwide.

The Group have taken a phased approach in adopting the recommendations by TCFD. In FY2023, the Group had set baseline targets for emission intensity and expanded its indirect GHG emission analysis by evaluating selected Scope 3 emissions to enable the Group to manage our climate-associated risk and opportunities.

Please refer to "**A. Environment**" section for the relevant disclosures.

We are also mindful of our responsibility to conduct our businesses in an environmentally responsible manner and to minimise any harmful environmental impact of our day-to-day practices. Given the dangerous effects of improper handling and disposal of medical waste on the environment as well as the society, we are committed to adopt best practices, which include, among others, the use of licensed and experienced firms to collect, transport and dispose of any biohazardous and cytotoxic waste, in a bid to minimise the risk of disease transmission, air and water contamination, as well as soil pollution.

SOCIAL

As a medical service provider, we understand the importance of attracting and retaining talented employees to provide exceptional service to our customers. We are committed to enforcing fair labour practices, providing equal opportunities and a safe working environment for all our employees.

At TalkMed, we have created a culture that fosters innovation and encourage our medical staff to stay up to date with the latest development in their field. We provide them with diverse training opportunities and support their professional as well as personal development. This helps them to be aware of the latest medical advancement, treatment methods and equipment available in the market and allows them to make well-informed decisions for our customers.

Our ultimate goal is to provide quality and safe patient care that exceeds industry standards and responds to the needs of our customers. We believe that maintaining a safe environment is a crucial aspect of competent healthcare. To protect the safety of both patients and our healthcare professionals, we ensure strict adherence to standard operating procedures ("**SOPs**") as well as all applicable rules and regulations. In addition, we carry out regular medical meetings to keep our employees apprised of changes in regulatory requirements and the latest medical practices.

SUSTAINABILITY REPORT

In FY2023, we had no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of our products and services. Please refer to page 31 for details.

TalkMed values its employees, customers and the community it serves. Our doctors play their parts by providing health education to the people. They share their knowledge and contribute to raising disease awareness in Singapore and neighbouring countries via newspapers, magazines, medical journals and medical educational sessions.

GOVERNANCE

As a member of the medical fraternity, we understand the need to uphold the highest standards of corporate governance across our business functions and to protect the personal and sensitive information of our patients.

Similarly, the Board is committed to maintaining high standards of corporate governance, business integrity and professionalism within the Group to safeguard the interests of all its stakeholders and to promote investors' confidence and support. As a public listed company, we have in place the required governance structure and processes that adhere to the Code of Corporate Governance. We also ensure adherence to the Listing Manual of the Singapore Exchange Securities Trading Limited or any requirements that have been mandated by Singapore Exchange Regulation (SGX RegCo) including the attendance of sustainability training courses by our directors.

To demonstrate our commitment to business ethics, we have included anti-corruption, compliance with laws and regulations as well as data privacy as material topics in our report and have disclosed our practices, policies and performance. We adhere strictly to the compliance requirements of a public listed company and are committed to providing transparent and relevant information to all our stakeholders on a timely basis.

In FY2023, there were no reported incidents of non-compliance with laws and regulations, incidents of corruption or breach of data privacy.

COMMUNITY

We strive to have a positive impact on our community and have collaborated with the Singapore Cancer Society to create a difference. In giving back to the community, we continue to sponsor and participate in the "Relay for Life" event in Singapore to touch more lives through love, hope and encouragement to all cancer patients and their caregivers.



SUMMARY

TalkMed believes that our responsibility as a healthcare group goes beyond our business operations.

We are committed to look for ways to enhance our services and use our resources responsibly. We strive for medical excellence and aim to provide the safest services to our valuable customers.

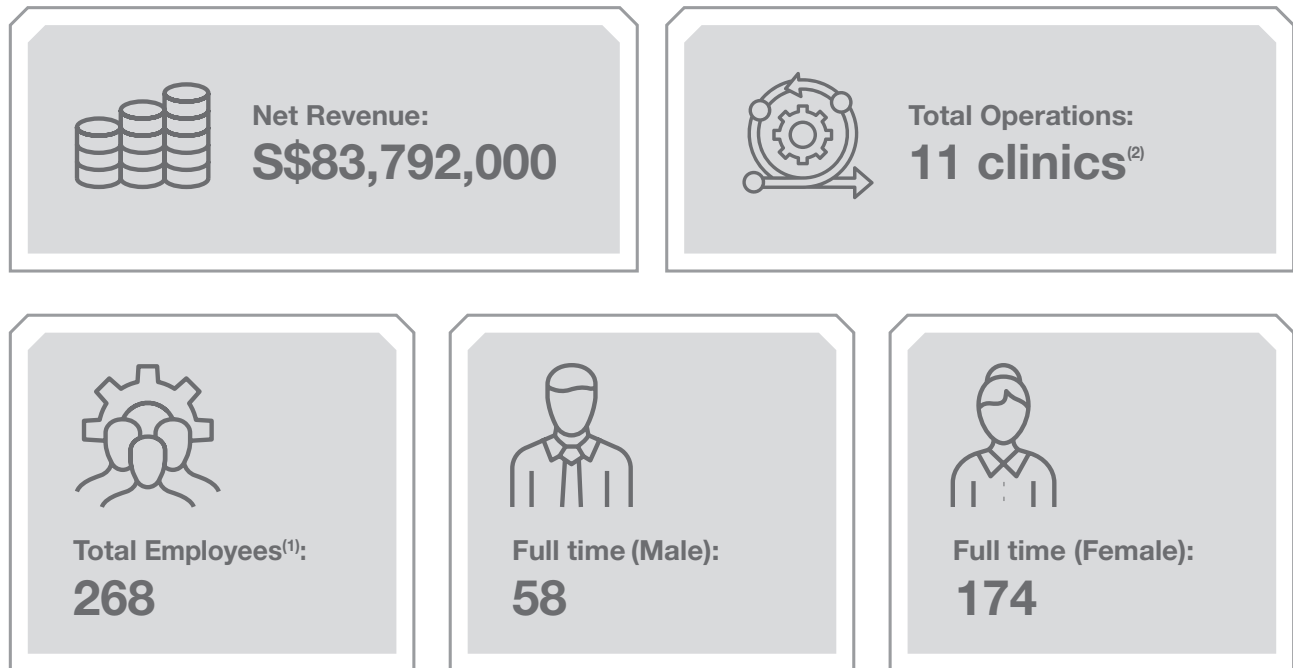
We want to thank our stakeholders for their continuous trust and support in our sustainability journey.

SUSTAINABILITY REPORT

ABOUT TALKMED

Please refer to “Corporate Profile” for details of the Group on pages 2 to 4.

SCALE OF ORGANISATION



⁽¹⁾ Our employees comprise 87% full time and permanent employees and 13% temporary and part time employees.

⁽²⁾ Include all clinics operated by our Group except for those located in Hong Kong and Vietnam.

SUSTAINABILITY REPORT

SUSTAINABILITY AT TALKMED

TalkMed is committed to integrating sustainability across all areas of our business and operational functions. We are focused on continually adopting relevant policies and procedures to achieve our sustainability goals.

Vision: *Our vision is to be a premier provider of medical oncology and palliative care healthcare services in the private sector in Singapore and in the region.*

Mission: *Our mission is to deliver quality care and service to our patients. Looking ahead, providing medical oncology and palliative care healthcare services in the region and expanding our services to include the provision of primary and secondary healthcare are also an integral part of our business model.*

We conduct our operations with the highest standards of ethics and transparency and ensure compliance with healthcare regulations in the countries where we operate.

Our goal is to deliver a sustainable economic growth and returns to investors. We strive to continuously engage with stakeholders, including shareholders, patients, suppliers, regulators and employees, as well as to address and manage their concerns. We are dedicated to the ongoing improvement of healthcare services, focusing on quality and meeting stakeholder expectations. Our goal is to provide patients with high quality healthcare services delivered by a competent and highly trained team.

We also identify and monitor the environmental impacts of our business activities, strive to mitigate and improve our environmental performance. Promotion of environmental awareness among employees and encouraging adoption of green practices are essential aspects of our commitment.

Our Group contributes to local communities, and supports their efforts to enhance socio-economic well-being. This commitment aligns with the Company's goal to provide high quality services to our customers, a pledge that is reflected in our vision and mission.

In addressing our environmental, social, and governance risks, TalkMed adopts the GRI Standards and undertakes measures to lessen our environmental footprint.

SUSTAINABILITY REPORT

SUSTAINABILITY GOVERNANCE STRUCTURE

Board	<p>The Board is responsible for the Group’s overall sustainability direction, establishing accountability and oversight for sustainability matters, including the assignment of related responsibility.</p> <p>The Board approves and monitors the effectiveness of all relevant policies, oversees the achievement and performance of sustainability management across the Group and provides the final approval for the Company’s annual sustainability report.</p>
Risk Management Committee	<p>The Risk Management Committee (“RMC”), comprising the Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), Chief Financial Officer (“CFO”) and the Human Resource function, is responsible for maintaining oversight of sustainability risks, monitoring Key Performance Indicators (KPIs) targets and executing them across all operations.</p> <p>The RMC is responsible for the identification of material sustainability risks and opportunities and supporting value creation by integrating ESG responsibilities into daily operations. In addition, the RMC approves and oversees the implementation of sustainability initiatives (including remedial actions for existing initiatives, when needed) while ensuring compliance with relevant international sustainability standards. All in all, it upholds the Group’s sustainability commitments.</p>

We pride ourselves in conducting our business in an ethical and transparent manner. We have clear policies on business standards, ethics and anti-corruption and are committed to ensuring full compliance with local as well as international requirements. We do not condone any malpractice, impropriety, non-compliance with statutory law, rules and regulations, or wrongdoing by employees in the course of performing their duties. More information on our corporate governance guidelines and practice is available on pages 50 to 55, 57 and 58 of our Annual Report.








SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

At TalkMed, we understand the importance of engaging our stakeholders and identifying the material issues that are most important to them. We selected our key stakeholder group based on influence, representation, responsibility, dependency and proximity. Additionally, we reviewed our stakeholders in comparison with our peers in the industry to validate the relevance and completeness of our stakeholders.

We have regular engagement with our stakeholders via our medical professionals, management and business unit leadership which provides inputs when determining our material focus areas.

We firmly believe that stakeholder engagement is a key factor in ensuring the success of our business. Therefore, we constantly seek to improve our communication channels with all our stakeholders to seek their inputs as well as address their concerns.

Stakeholders	Methods of Engagement	Frequency of Engagement	Material Topics
 Shareholders	<ul style="list-style-type: none"> Investor relation(s) Annual general meeting 	On-going Annually	<ul style="list-style-type: none"> Economic performance Customer health and safety Employment Anti-corruption
 Patients	<ul style="list-style-type: none"> Informal feedback from patients through doctors and clinical staff Public forum Patients survey 	On-going	<ul style="list-style-type: none"> Customer health and safety Customer (data) privacy
 Suppliers	<ul style="list-style-type: none"> Annual supplier evaluation Day to day engagement with suppliers 	On-going	<ul style="list-style-type: none"> Procurement practices Customer health and safety Market practices
 Regulators	<ul style="list-style-type: none"> Regulator guidelines Regulator forums engagement Email/phone call (available on website) 	Quarterly	<ul style="list-style-type: none"> Compliance with laws and regulations Customer health and safety Anti-corruption Climate and environment Equality and diversity
 Employees	<ul style="list-style-type: none"> Employee appraisals Team building sessions 	On-going	<ul style="list-style-type: none"> Employment Training and education Occupational health and safety
 Top Management (Consultants)	<ul style="list-style-type: none"> Board & committee meetings 	On-going	<ul style="list-style-type: none"> Economic performance Customer health and safety Indirect economic impacts Anti-corruption Talent recruitment and retention
 Partners (JV)	<ul style="list-style-type: none"> Monthly operations meeting Bi-monthly doctors meeting Monthly JV partners meeting 	Monthly	<ul style="list-style-type: none"> Economic performance Compliance with laws and regulations Customer health and safety Occupational health and safety

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

We have established a process to determine the material topics, which is guided and referenced to the GRI Reporting standards. The process of determining material topics involves reviewing our value chain analysis to better understand the organisational context in the business and geographical markets that we operate in, obtaining feedback from our stakeholder engagements, and reviewing the material topics prioritised by our industry peers. Thereafter, we evaluate the impact to the organisation in accordance with importance to stakeholders and impact to the Group, with the definition of high, medium and low impact based on the Group’s risk management framework.

TalkMed's Group Materiality Matrix

Importance to stakeholders	High	<ul style="list-style-type: none"> • Climate and environment • Data privacy 	<ul style="list-style-type: none"> • Anti-corruption • Customer health and safety • Compliance with laws and regulations • Economic performance • Employment • Training and education • Talent recruitment and retention 	<ul style="list-style-type: none"> • Issues identified by TalkMed to ensure that our sustainability commitments are monitored and managed • Please refer to sustainability performance indicators for our FY2023 performance
	Medium	<ul style="list-style-type: none"> • Community Engagement 	<ul style="list-style-type: none"> • Effluent and waste • Energy conservation • Equality and diversity 	<ul style="list-style-type: none"> • Issues that have been identified from our materiality assessment that will be managed by the business on an on-going basis, not disclosed in this report
	Low			
		Low	Medium	High
		Impact to Company		

In FY2023, the list of material topics were re-assessed and validated and no new material topics were identified for the business.

SUSTAINABILITY REPORT

SUSTAINABILITY PERFORMANCE INDICATORS

Material Topics and Indicators	Reporting Period (Financial year unless indicated)	
	2023	2022
Environment (Climate and Environment)		
Total Greenhouse Gas (GHG) emission, (tonnes CO₂ equivalent)¹	1,860	1,537
Scope 1 Emission(s)		
• Mobile fuel combustion ²	8	9
• Fugitive emissions (refrigerants) ³	405	–
Scope 2 Emission(s)		
• Electricity (location-based) ⁴	1,232	1,528
GHG Emission Intensity Scope 1 & 2 (tonnes CO₂/Revenue SGD'000)	0.019	0.020
Scope 3 Emission(s)⁵		
• Business travel ⁶	128	–
• Employee commuting	87	–
Social (Employment, Talent Recruitment and Retention, Training and Education)		
Total Employees	268	258
• Male	66	68
• Female	202	190
Total New Hire Rate (%)	22	21
Total Turnover Rate (%)	19	13
Average Training Hours Per Employee	55.6	4.0
Social (Customer health and safety)		
Total number of incidents of non-compliance concerning the health and safety impacts of products and services	0	0
Governance (Anti-corruption, compliance with laws and regulations and data privacy)		
Total confirmed incidents of corruption and action taken	0	0
Total non-compliance with laws and regulations	0	0
Total substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0

¹ GHG emissions are computed in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report. The equivalent CO₂ emission for electricity is based on the operating margin factors from the Energy Market Authority of Singapore and Institute for Global Environmental Strategies (IGES) for North and Central China Grid data.

² Mobile fuel combustion is primarily fuel used by the Group's vehicles in China.

³ Fugitive emissions are primarily emissions from the air-conditioning and refrigerators from the Group's facilities in Singapore and China.

⁴ Electricity consumption is primarily location-based with data derived from the national grids of Singapore and China.

⁵ As FY2023 is the initial year that the group has identified, collected, and disclosed scope 3 emission data, there are no comparative figures provided for FY2022.

⁶ Business travel emissions are primarily air travels by management.

SUSTAINABILITY REPORT

A. ENVIRONMENT

A.1 CLIMATE AND ENVIRONMENT



The Group recognises the impact of global climate changes on its business and has adopted the recommendations of the TCFD requirements on a phased approach for climate-related disclosure. To understand the extent of the Group's Greenhouse Gas Emissions ("GHG"), the Group had expanded the analysis of indirect GHG emissions for selected Scope 3 emission and set short term targets for its GHG intensity.

Why is this a material issue?

We embedded climate-related risks into our risks assessment process across our businesses. The impact assessment was included into the risk register, reviewed by the Board and Risk Management Committee and the impact to the Group assessed from a short (next 1 year or less), medium (1 to 3 years) and long-term basis (more than 3 years).

Description		Financial Impact	Time Period
Physical (Acute)	Damage to building and infrastructure due to extreme weather conditions	Increase costs of maintenance/operations	Medium – Long
Physical (Acute)	Deferment of elective surgery for its business in the region due to climate-associated disruptions	Loss of revenues	Medium
Physical (Chronic)	Stress in workforce and increasing strain on healthcare system resulting in errors and loss of care	Loss of revenues	Medium – Long
Transition (Policy & Legal)	Increase in cost of operations from climate transition risks from government or regulatory policies	Increase costs of maintenance/operations	Medium – Long
Transition (Technology)	Technology and medical equipment disruption to hospital/medical centre facilities	Loss of revenues	Long

In responding to the climate-related risks, the Group continues to source supplies via alternative routes to mitigate risks of supply disruption and manage costs of operations. Additionally, the Group continues to digitalise records and reduce the use or demand of paper. With the additional disclosure of selected Scope 3 indirect emissions and subsequently analysis of the remaining Scope 3 components, the Risk Management Committee will continue to evaluate opportunities in its value chain to improve the Group's resilience and financial impact to climate-related risks.

SUSTAINABILITY REPORT

How do we approach this issue?

In managing risks and opportunities associated with climate, the Group has adopted the recommendations of TCFD.

Governance	Risk Management
<ul style="list-style-type: none"> • Climate risks and opportunities and associated metrics have been presented to the Board. Climate-related risks and opportunities are evaluated by the Board in the Group's business and strategy as part of its overall oversight on sustainability topics of the Group. • Climate risks and opportunities are managed by the Risk Management Committee on a day-to-day basis involving the development and execution of policies and processes to manage risks. • The governance structure, terms of reference, process of identification and management of material topics and reporting criterias are formalised in our sustainability policy. 	<ul style="list-style-type: none"> • Climate-related risks and opportunities have been integrated into the overall risks management process. • Climate-related physical and transition risks have been assessed in accordance with the Group's risk parameters and action plans identified to mitigate risks. The Group's risks, impact and action plans are reviewed at least annually.
Strategy	Metrics
<ul style="list-style-type: none"> • The Risk Management Committee, which is led by the CEO, COO, CFO and the Human Resource function, is responsible for evaluating climate-related risks and opportunities. 	<ul style="list-style-type: none"> • The Group to report Scope 1 and 2 greenhouse gas emissions across its businesses to deepen understanding of its emissions and establish strategies to manage those emissions. • In FY2023, selected Scope 3 emissions were also analysed for an expanded understanding of the Group's indirect emission to further assess strategies to manage emissions of the Group.

SUSTAINABILITY REPORT

FY2023 Performance

We identified GRI305 Emission as the metrics used to assess climate-related risks and opportunities. FY2022 was the initial year that the Group has identified, collected and disclosed emission data. The Group will continue to monitor and develop a better understanding of its emission exposure before determining a reasonable target to reduce carbon emission where applicable. The Group's Scope 1, 2 and selected Scope 3 CO₂ emissions are detailed below:

	FY2023			FY2022		
	Singapore	China	Total	Singapore	China	Total
Scope 1 Emission(s)						
• Stationary combustion	–	–	–	–	–	–
• Mobile fuel combustion ²	–	8	8	–	9	9
• Fugitive emissions (refrigerants) ³	109	296	405	← Note 1 →		
Scope 2 Emission(s)						
• Electricity (location-based) ⁴	227	1,005	1,232	246	1,282	1,528
Total Scope 1 and 2 GHG emission, (tonnes CO ₂ equivalent) ¹	336	1,309	1,645	246	1,291	1,537
GHG Emission Intensity Scope 1 & 2 (tCO ₂ /Revenue SGD'000)	0.004	0.015	0.019	0.003	0.017	0.020
Scope 3 Emission(s)⁵						
• Business travel ⁶	128	–	128	–	–	–
• Employee commuting	69	18	87	–	–	–

Note 1: In FY2022, due to lack of reliable data, no fugitive emission was reported.

In FY2023, there was an overall increase in Scope 1 and 2 emissions primarily due to the inclusion of fugitive emission data collected which was not provided in FY2022.

FY2024 Target

As the Group continues to monitor direct and indirect GHG emissions, we have set an initial short-term target of maintaining our carbon intensity for Scope 1 and 2 of 0.019 whilst evaluating our long term targets.

¹ GHG emissions are computed in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report. The equivalent CO₂ emission for electricity is based on the operating margin factors from the Energy Market Authority of Singapore and Institute for Global Environmental Strategies (IGES) for North and Central China Grid data.

² Mobile fuel combustion is primarily fuel used by the Group's vehicles in China.

³ Fugitive emissions are primarily emissions from the air-conditioning and refrigerators from the Group's facilities in Singapore and China.

⁴ Electricity consumption is primarily location-based with data derived from the national grids of Singapore and China.

⁵ As FY2023 is the initial year that the group has identified, collected, and disclosed Scope 3 emission data, there are no comparative figures provided for FY2022.

⁶ Business travel emissions are primarily air travels by management.

SUSTAINABILITY REPORT

B. SOCIAL

B.1 EMPLOYMENT/TALENT RECRUITMENT AND RETENTION

Why is this a material issue?

Our employees are the foundation of our business and the key to our continued success. They are integral to the provision of exceptional medical services to our customers. As they are our most valuable assets, we are committed to providing attractive remuneration packages and employee benefits for our workforce of talented doctors and specialists.

How do we approach this issue?

We are aware that our ability to attract, develop and retain highly-motivated employees is crucial to our business. Our human resource team follows fair and supportive policies which are in line with our objectives. We have an equitable system of recognition and awards that allows doctors the opportunity to participate in revenue-sharing schemes. Our staff is rewarded with attractive year-end bonuses that commensurate with their performances. In addition, we provide annual incentive trips which also aim to promote staff bonding. Last but not least, we recognise and acknowledge the contributions of our long-serving staff by rewarding them with long service awards.

For FY2023, our employees are classified into the following:

Permanent and Full Time Employees	Singapore	China ¹	Total
Male	35	23	58
Female	92	82	174
Temporary and Part Time Employees			
Male	1	7	8
Female	11	17	28
Total no. of employees	139	129	268

¹ China represents our China facilities in Chongqing and Beijing.

We aim to hire and retain the best talents and we strive to fill each role with an individual who is qualified and of the right fit. To achieve that, recruitment of new doctors is handled by our doctors, while the hiring of new clinical staff is entrusted to our nurse managers and the human resource department.

Our employee profile and turnover are as follows:

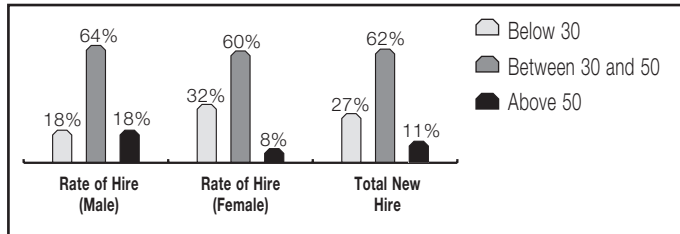
Employees Information by Age Group and Nationality	Singaporeans	Others ¹	Total
Below 30	5	52	57
Between 30 and 50	65	97	162
Above 50	31	18	49
Total no. of employees	101	167	268

¹ "Others" represents non-Singaporeans who are working at our clinics/offices in Singapore and China. This includes Chinese, Malaysians, Filipinos and Indian nationals.

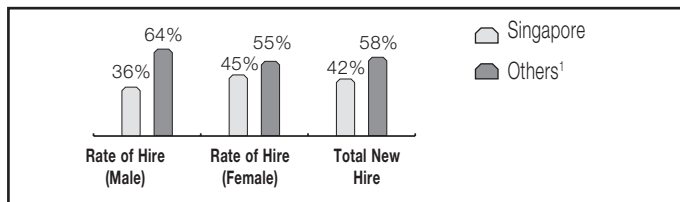
SUSTAINABILITY REPORT

(A) Analysis by New Hire of the Group

New Hires By Age Group	Male	Female
Below 30	4	12
Between 30 and 50	14	23
Above 50	4	3
Total no. of new hires	22	38

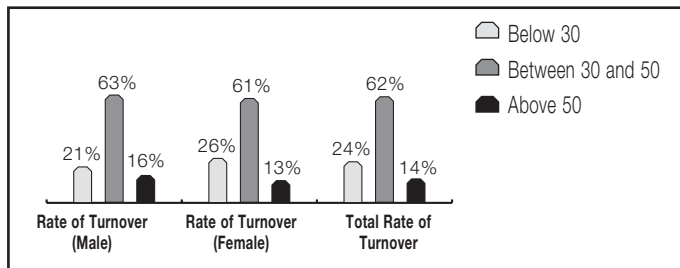


New Hires By Nationality	Male	Female
Singaporeans	8	17
Others ¹	14	21
Total no. of new hires	22	38

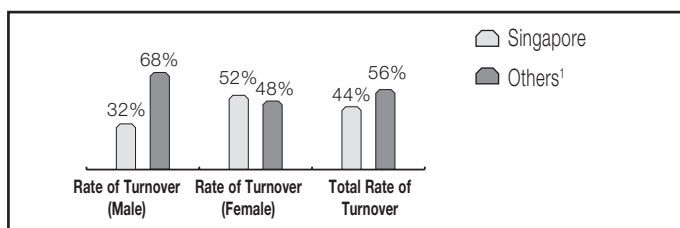


(B) Analysis by Turnover of the Group

Employee Turnover By Age Group	Male	Female
Below 30	4	8
Between 30 and 50	12	19
Above 50	3	4
Total no. of turnover	19	31



Employee Turnover By Nationality	Male	Female
Singapore	6	16
Others ¹	13	15
Total no. of turnover	19	31



¹ "Others" represents non-Singaporeans who are working at our clinics/offices in Singapore and China. This includes Chinese, Malaysians, Filipinos and Indian nationals.

FY2023 Performance

Total new hire rate: 22%

Total turnover rate: 19%

Financial year ending 31 December 2024 ("FY2024") Target

To ensure greater retention of talent pool.

SUSTAINABILITY REPORT

B.2 TRAINING AND EDUCATION

Why is this issue material?

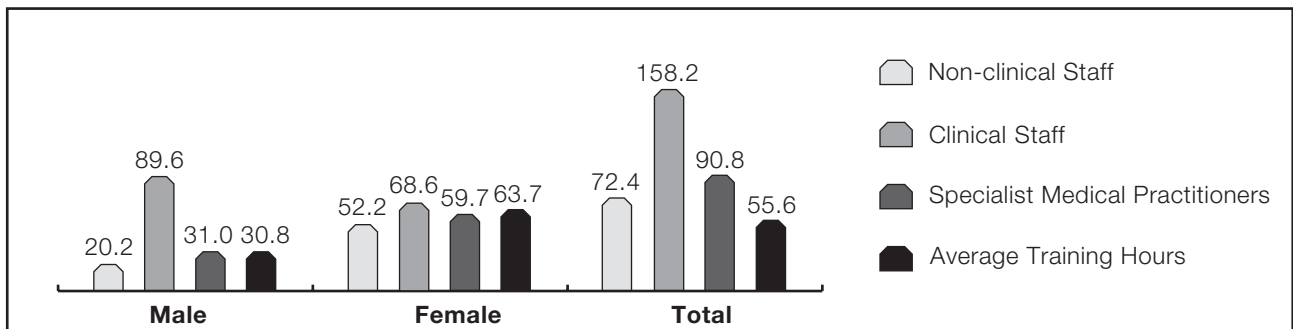
TalkMed places strong emphasis on developing our staff through training and education programmes. It is necessary for our doctors and specialists to be updated with the latest developments in their respective fields so that they can reach their full potential and perform their best.

How do we approach this issue?

To enable employees to refine their skills, we organise regular training and development programmes to cater to their areas of specialisation. We offer our nurses fully-sponsored diploma courses. We have fostered a culture of learning in our organisation and we encourage regular feedback to identify new areas of improvement.

FY2023 Performance

We have recorded the following training hours:



Average training hours per employee is 55.6 in FY2023. It has increased significantly as compared to the previous period due to the increase in training for staff in our China operations after the resumption of hospital operations upon the easing of Covid-19 restrictions.

Management will continue to monitor and ensure that our employees are sent for the necessary professional development and training to equip them with relevant knowledge to meet their professional and personal development needs.

FY2024 Target

Our Group aims to maintain an average of at least 40 training hours per employee per annum.

SUSTAINABILITY REPORT

B.3 CUSTOMER HEALTH AND SAFETY

Why is this issue material?

The safety and well-being of our customers form the core of our organisation's values. We are committed to providing excellent service to our patients at all times and for that purpose, we have taken several measures.

We have integrated standards and procedures across all our operations and installed continuous monitoring systems to safeguard the health and safety of our valued customers.

How do we approach this issue?

As customer safety is a crucial aspect of our business, we ensure strict adherence to government regulations such as Private Hospitals and Medical Clinics Act, Medicines Act, Health Products Act and Singapore Medical Council Ethical Code and Ethical Guidelines.

We have in place a set of clinical SOPs to maintain staff competency and compliance with the applicable regulations and laws.

The quality of our services depends on the professional competencies of our nurses. Hence, we have put in place a system of competency checklists (including the apheresis competency checklist as our operations involve the handling of blood products) to assess and evaluate their proficiencies. The SOPs and checklists are reviewed for relevance and completeness every year.

FY2023 Performance

There were no incidents of non-compliance concerning the health and safety impacts of products and services.

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	FY2023	FY2022
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0
Incidents of non-compliance with regulations resulting in a warning	0	0
Incidents of non-compliance with voluntary code	0	0

FY2024 Target

We aim to maintain zero cases of non-compliance or fines.

SUSTAINABILITY REPORT

C. GOVERNANCE

C.1 ANTI-CORRUPTION

Why is this a material issue?

TalkMed recognises the importance of high standards of business integrity, ethics and transparency. Corruption in any form undermines the capability of healthcare organisations to serve their customers well. Hence, it is important for us to eliminate any form of corruption through good corporate governance, business ethics and strong internal controls in our business processes.

We take this issue very seriously and are committed to complying with all applicable standards, rules and regulations necessary to prevent corruption and unethical behavior.

How do we approach this issue?

At TalkMed, we have zero tolerance for all forms of corruption, bribery, fraud and unethical behavior. This is reflected in our Code of Conduct, which outlines the guidelines for maintaining transparency and accountability.

We have also established a whistle-blowing policy which stipulates the mechanism by which concerns about plausible improprieties in matters of financial reporting may be raised. The Audit and Risk Committee ("**ARC**") has oversight and monitoring responsibilities. There are three dedicated secured email addresses to allow whistle-blowers to contact any member of the ARC to make a whistle-blowing report.

The whistle-blowing policy and its procedures have also been made available to all employees. The Company's whistle-blowing policy allows employees to raise concerns and offers reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

FY2023 Performance

There were no reported cases of corruption during the reporting period.

GRI 205-3: Confirmed incidents of corruption and actions taken	FY2023	FY2022
Total number and nature of confirmed incidents of corruption	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	0	0

FY2024 Target

We aim to maintain zero cases of all forms of corruption in our business operations.

SUSTAINABILITY REPORT

C.2 COMPLIANCE WITH LAWS AND REGULATIONS

Why is this a material issue?

As a premier provider of medical oncology and palliative care services, we are governed by laws and regulations, particularly those related to the medical industry, in the countries where we operate in. Also, we are bound by the Listing Manual of the Singapore Exchange Securities Trading Limited. Any non-compliance with the relevant laws and regulations could severely impact our reputation and in the long term, impact our business growth.

How do we approach this issue?

We take this issue very seriously and are committed to complying with all applicable standards, rules and regulations to ensure that we maintain the highest standards of medical practices and as a good corporate citizen. In ensuring compliance, we have the following in place:

- SOPs are established to govern day-to-day practices and maintain competency of staff. SOPs are reviewed annually for relevance and completeness;
- Monthly meetings of medical staff to provide policy and regulatory updates;
- Subscriptions to official channels in order to stay abreast with changes in rules and regulations; and
- Engagements with external consultants to keep up with latest developments and regulatory changes.

FY2023 Performance

There were no reported cases of non-compliance or fines paid during the reporting period.

GRI 2-27 Compliance to Laws & Regulations	FY2023	FY2022
a. Total number of significant instances of non-compliance with laws and regulations		
– Number of fines incurred	0	0
– Number of instances of non-monetary sanctions incurred	0	0
b. Total monetary value of fines paid for the reporting period		
– Current reporting period	0	0
– Previous reporting period	0	0

FY2024 Target

We aim to maintain zero cases of non-compliance or fines.

SUSTAINABILITY REPORT

C.3 DATA PRIVACY

Why is this a material issue?

Our operations have access to personal and sensitive information of our customers including personal data and medical records that are confidential. Any breach of personal data would result in public reprimand, fines and adverse impact to our reputation.

How do we approach this issue?

We are committed to ensuring that our employees understand the importance of privacy and regulatory requirements regarding the safeguarding of personal data. Specifically:

- The Group's privacy policy has been established and communicated to all employees and customers. Our policy governs the purpose and methods for managing personal data. A copy of our privacy policy is available on our website;
- Standard operating procedures are formalised at our medical centres to govern the management of personal data and escalation methods in case of any data breach; and
- Clinic Assist Software ("**CAS**") is in place to manage patient related records. Access to CAS is restricted to authorised personnel only.

FY2023 Performance

There were no reported cases of substantiated complaint concerning breaches of customer privacy and losses of customer data for the reporting period.

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	FY2023	FY2022
Complaints received from outside parties and substantiated by the organisation	0	0
Complaints by regulatory bodies	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0

FY2024 Target

We aim to maintain zero cases of substantiated complaint concerning breaches of customer privacy and loss of customer data.

SUSTAINABILITY REPORT

D. COMMUNITY

Relay for Life 2024

The 7th edition of the Singapore Cancer Society-TalkMed Relay for Life (“RFL”) will be taking place between 20 and 30 April 2024 to raise funds for the cause. TalkMed is the title sponsor for RFL 2024 and it hopes that RFL will continue to raise more awareness about cancer, and more importantly, drive the message that no cancer patient should walk this road alone.

The physical event will be attended by our Guest of Honour, Mr Tharman Shanmugaratnam, the President of the Republic of Singapore and this community event has a target outreach of 6,000 participants including cancer patients, survivors, caregivers, donors and members of the community coming together to physically celebrate the lives of people battling cancer.

The event aims to raise approximately S\$1.3 million which will be used to fund programmes and services that are run by Singapore Cancer Society to “Minimise Cancer and Maximise Lives of the cancer community”.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	TalkMed Group Limited has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 2 to 4
	2-2 Entities included in the organisation's sustainability reporting	Page 16
	2-3 Reporting period, frequency and contact point	Page 16
	2-4 Restatements of information	No restatements for prior period.
	2-5 External assurance	Page 16
	2-6 Activities, value chain and other business relationships	Page 2 to 4
	2-7 Employees	Page 19, 28 to 29
	2-8 Workers who are not employees	Page 19, 28 to 29
	2-9 Governance structure and composition	Page 38 to 42
	2-10 Nomination and selection of the highest governance body	Page 43 to 46
	2-11 Chair of the highest governance body	Page 43
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 38 to 40
	2-13 Delegation of responsibility for managing impacts	Page 39
	2-14 Role of the highest governance body in sustainability reporting	Page 21
	2-15 Conflicts of interest	Page 52 to 54
	2-16 Communication of critical concerns	Page 50 to 54
	2-17 Collective knowledge of the highest governance body	Page 9 to 15
	2-18 Evaluation of the performance of the highest governance body	Page 46 to 47
	2-19 Remuneration policies	Page 47 to 50
	2-20 Process to determine remuneration	Page 47 to 48
	2-21 Annual total compensation ratio	Page 49
	2-22 Statement on sustainable development strategy	Page 17 to 18
	2-23 Policy commitments	Page 20 to 21

SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE	LOCATION
	2-24 Embedding policy commitments	Page 20 to 21
	2-25 Processes to remediate negative impacts	Page 50 to 53
	2-26 Mechanisms for seeking advice and raising concerns	Page 50 to 54
	2-27 Compliance with laws and regulations	Page 33
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	Page 22
	2-30 Collective bargaining agreements	None of our employees is contracted under collective bargaining agreement.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 23
	3-2 List of material topics	Page 23
	3-3 Management of material topics	Page 25 to 34
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 68 to 73
	201-2 Financial implications and other risks and opportunities due to climate change	Page 25
	201-4 Financial assistance received from government	Page 92
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Page 32
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 27
	305-2 Energy indirect (Scope 2) GHG emissions	Page 27
	305-3 Other indirect (Scope 3) GHG emissions	Page 27
	305-4 GHG emissions intensity	Page 27
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 28 to 29
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 30
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 31
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 34

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 2023 (“**FY2023**”) 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.

CORPORATE GOVERNANCE REPORT

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 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.

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 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.

CORPORATE GOVERNANCE REPORT

The number of meetings of the Board and Board Committees held during FY2023 and the attendance of each Director at those meetings are set out as follows:

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

Notes:

- (1) Dr Khoo Kei Siong, Mr Dan Yock Hian, Mr Lim Jen Howe and Mr Lim Teong Jin George stepped down as directors of the Company on 31 December 2023.
- (2) Dr Khoo Kei Siong was appointed as alternate director to Dr Ang Peng Tiam on 1 January 2024.

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 the Board’s 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. All directors have attended sustainability training courses mandated by Singapore Exchange Regulation (SGX RegCo) in FY2023.

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 Singapore Exchange Securities Trading Limited (“**SGX-ST**”), undergoes mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

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.

CORPORATE GOVERNANCE REPORT

Principle 2 – Board Composition and Guidance

As of the date of this Annual Report, the Board comprises seven (7) Directors, six (6) of whom are Non-Executive Directors with four (4) of them being independent. In addition, the Board has an Alternate Director, Dr Khoo Kei Siong, who acts as alternate to Dr Ang Peng Tiam. 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 following the reconstitution of the Board on 1 January 2024 (as announced via SGXNet on 10 November 2023) (“**Board Reconstitution**”) are as follows:

Name of Directors	Board Membership	ARC	NC	RC
Mr S. Chandra Das	Non-Independent Non-Executive Chairman	–	–	Member
Dr Ang Peng Tiam	Executive Director and CEO	–	Member	–
Mr Sitoh Yih Pin	Non-Independent Non-Executive Director	Member	–	–
Prof Leong Ching Ching	Independent Non-Executive Director	–	–	Chairperson
Mr Lam Kok Shang	Independent Non-Executive Director	Chairman	Member	–
Mr Peter Sim Swee Yam	Independent Non-Executive Director	Member	Chairman	–
Dr Tan Khai Tong	Independent Non-Executive Director	–	–	Member
Dr Khoo Kei Siong	Alternate Director to Dr Ang Peng Tiam	–	–	–

Mr S. Chandra Das and Mr Sitoh Yih Pin, who have individually served on the Board for an aggregate period of more than nine (9) years, were re-designated as Non-Executive Directors (from Independent Non-Executive Directors) on 1 January 2024. Prof Leong Ching Ching was re-designated as an Independent Non-Executive Director (from Non-Executive Director), and appointed as Chairperson of the Remuneration Committee, on 1 January 2024. Mr Lam Kok Shang, Mr Peter Sim Swee Yam and Dr Tan Khai Tong were newly appointed as Directors, and assumed their respective roles on the Board Committees, on 1 January 2024.

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 seven (7) 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.

CORPORATE GOVERNANCE REPORT

For FY2023, the objective identified by the NC for Board diversity was to appoint three (3) new independent directors with relevant expertise and experience that would complement those already on the Board, before the FY2023 AGM. Following the appointment of Mr Lam Kok Shang, Mr Peter Sim Swee Yam and Dr Tan Khai Tong on 1 January 2024 and the Board Reconstitution, the Board has been refreshed. The three (3) new directors are from different industries with accounting, legal and medical backgrounds, which enriched the diversity of the Board. The Board Diversity Policy also requires the appointment of at least one (1) female director, in recognition of the importance and value of gender diversity. The Board currently comprises one (1) female director out of a total of seven (7) directors. As such, the targets of refreshing the Board and having at least one (1) female director on the Board have been met. 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/she 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/her independence). Each of the Independent Directors has also confirmed his/her independence.

As six (6) out of seven (7) 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 four (4) Independent Directors, which makes up a majority 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.

CORPORATE GOVERNANCE REPORT

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 a 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.

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 majority of the Board are independent non-executive directors, and the Chairman of the Board is not conflicted as he has no relationships (including immediate family relationships) with the Company and its related corporations, its substantial shareholders or its officers and was deemed independent prior to his re-designation as a Non-Executive Director on 1 January 2024.

Principle 4 – Board Membership

The NC⁽¹⁾ currently 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 Peter Sim Swee Yam	(Independent Non-Executive Director)	–	Chairman
Mr Lam Kok Shang	(Independent Non-Executive Director)	–	Member
Dr Ang Peng Tiam	(Executive Director)	–	Member

Note:

- (1) In FY2023, Mr S. Chandra Das was the Chairman, while Dr Ang Peng Tiam and Mr Dan Yock Hian were the members, of the NC.

CORPORATE GOVERNANCE REPORT

The NC will meet at least once a year and one (1) NC meeting was held in FY2023. 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, Chief Operating Officer ("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.

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 NC 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. Following the Board Reconstitution, the Board members have been refreshed and renewed.

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

CORPORATE GOVERNANCE REPORT

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 by rotation and be re-elected at least once every three (3) years at each AGM. Dr Ang Peng Tiam, Mr Sitoh Yih Pin and Prof Leong Ching Ching will be retiring and seeking re-election at the forthcoming AGM in accordance with Regulation 91 of the Company's Constitution.

Mr Lam Kok Shang, Mr Peter Sim Swee Yam and Dr Tan Khai Tong were appointed by the Board on 1 January 2024, and will cease to hold office at the forthcoming AGM pursuant to Regulation 97 of the Company's Constitution and be subject to re-election.

In making the recommendations, the NC considers the overall contribution and performance of the directors seeking re-election. Mr Peter Sim Swee Yam, Dr Ang Peng Tiam and Mr Lam Kok Shang, being members of the NC, had abstained from the deliberation process in respect of their respective nominations and assessments.

Based on the recommendation of the NC, the Board (save for each of the directors seeking re-election who abstained from the deliberation process in respect of his/her own re-election) proposes to the Company's shareholders to approve the re-election of the above-mentioned directors who are seeking re-election at the forthcoming AGM of the Company.

Each of Prof Leong Ching Ching, Mr Lam Kok Shang, Mr Peter Sim Swee Yam and Dr Tan Khai Tong 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/her independent judgement. Each of the directors seeking re-election also confirms that there is no conflict of interest (including any competing business) with the Company, and has submitted his/her undertaking to the Company (in the format set out in Appendix 7.7) under Rule 720 (1) of the Listing Manual 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.

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.

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For directors seeking re-election, 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” of this Annual Report.

Other information relating to the directors seeking re-election as required by Rule 720 (6) of the Listing Manual of the SGX-ST are disclosed under the sections headed “Board of Directors”, “Directors’ Statement”, “Notice of Eleventh Annual General Meeting” and “Additional Information on Directors Seeking Re-Election” 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.

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.

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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.

The RC⁽¹⁾ currently 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:

Prof Leong Ching Ching	(Independent Non-Executive Director)	–	Chairperson
Mr S. Chandra Das	(Non-Independent Non-Executive Director)	–	Member
Dr Tan Khai Tong	(Independent Non-Executive Director)	–	Member

Note:

- (1) In FY2023, Mr S. Chandra Das was the Chairman, while Mr Sitoh Yih Pin and Prof Leong Ching Ching were the members, of the RC.

CORPORATE GOVERNANCE REPORT

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 process 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 FY2023, 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 FY2023 are set out below:

Names	Band ⁽¹⁾	Fees	Salaries ⁽²⁾	Bonuses ⁽²⁾	Other benefits	Share-based payments	Total
Directors							
Mr S. Chandra Das	1	100%	–	–	–	–	100%
Dr Ang Peng Tiam (CEO)	3	–	100%	–	*	–	100%
Dr Khoo Kei Siong ⁽³⁾ (COO)	3	–	100%	–	*	–	100%
Mr Sitoh Yih Pin	1	100%	–	–	–	–	100%
Mr Dan Yock Hian ⁽³⁾	1	100%	–	–	–	–	100%
Mr Lim Jen Howe ⁽³⁾	1	100%	–	–	–	–	100%
Mr Lim Teong Jin George ⁽³⁾	1	100%	–	–	–	–	100%
Prof Leong Ching Ching	1	100%	–	–	–	–	100%
5 key Management personnel							
Mr Lee Boon Yong (CFO)	2	–	73%	22%	–	5%	100%
Dr Teo Cheng Peng	3	–	100%	–	*	–	100%
Dr Lim Hong Liang	3	–	99%	–	1%	–	100%
Mr Liu Wei	2	–	78%	–	–	22%	100%
Mr Lim Chiang Chuen	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) Dr Khoo Kei Siong, Mr Dan Yock Hian, Mr Lim Jen Howe and Mr Lim Teong Jin George had stepped down as directors of the Company on 31 December 2023.
- * Denotes percentage of less than 1%

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 FY2023 is approximately S\$2.28 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 FY2023.

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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, Dr Ang Peng Tiam and Prof Leong Ching Ching (who replaced Mr Lim Teong Jin George following his cessation as Director of the Company on 31 December 2023).

On 13 March 2023 and 13 March 2024, the Company allotted and issued 1,945,210 and 1,145,032 new ordinary shares pursuant to the vesting of the third and fourth tranches of performance shares of Category B and Category C employees under the PSP in 2020, respectively. On 16 October 2023, the Company allotted and issued 499,999 new ordinary shares pursuant to the vesting of the second tranche of performance shares awarded under the PSP in 2021. On 18 October 2023, the Company allotted and issued 519,399 new ordinary shares pursuant to the vesting of the first tranche of performance shares awarded under the PSP in 2022.

The Company also awarded 7,692,000 ordinary shares under the PSP to the employees of the Group on 19 December 2023 (the “**Award**”), accounting for approximately 0.58% of the issued shares of the Company as at the date of the Award. Details of the Award granted under the PSP during FY2023 can be found in the Directors’ Statement and Note 7 to the financial statements. There were no share options granted under the ESOS in FY2023.

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 FY2023.

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 of the SGX-ST (the “**Listing Manual**”) and the Singapore 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.

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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 FY2023 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.

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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⁽¹⁾ currently 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 Lam Kok Shang	(Independent Non-Executive Director)	–	Chairman
Mr Sitoh Yih Pin	(Non-Independent Non-Executive Director)	–	Member
Mr Peter Sim Swee Yam	(Independent Non-Executive Director)	–	Member

Note:

(1) In FY2023, Mr Sitoh Yih Pin was the Chairman, and Mr Dan Yock Hian and Mr Lim Jen Howe were the members, of the ARC.

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;

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- 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 Listing Manual;
- 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.

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 and 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 FY2023 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 Listing Manual 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.

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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 Risk Advisory Services Pte Ltd ("**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 with over twenty (20) years' experience, who has relevant qualifications and internal audit experience. The internal audit team comprises qualified professionals with relevant internal audit experience.

HLS carries out their internal audit works in accordance with the International 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.

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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.

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 released via SGXNet and posted on the Company's website.

For the purposes of the Company's forthcoming AGM, shareholders may submit questions in advance relating to the business of the AGM by 10 April 2024, and the Company will endeavour to address all substantial and relevant questions by publishing the responses no later than the closing date for submission of proxy forms. Notwithstanding that questions may be submitted in advance prior to the AGM, shareholders who attend the AGM in person may still ask questions or seek clarifications in respect of the matters arising from the business of the AGM, and the management and the Board of Directors will address their questions at the AGM. The responses to the questions addressed during the AGM will be included in the minutes of the AGM which will be published within one month from the AGM.

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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 FY2023, half year and full year financial results of the Company and the Group were released within forty-five (45) days from the period ended 30 June 2023 and sixty (60) days from the financial year ended 31 December 2023. 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. This Annual Report will be 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>. Shareholders who wish to receive hard copies of the Annual Report are required to complete and submit a request form which can be found in the letter to Shareholders dated 3 April 2024 ("**Letter to Shareholders**"). Physical copies of the Letter to Shareholders will be mailed to shareholders, and 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 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.

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 (except Prof Leong Ching Ching) had attended the AGM held on 20 April 2023. 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 record the minutes of general meetings (including answers to substantial and relevant queries from shareholders relating to the agenda of the 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.

The Letter to Shareholders has details of the forthcoming AGM. Physical copies of the notice of the AGM, proxy form and Letter to Shareholders will be sent to shareholders, and the same 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>.

CORPORATE GOVERNANCE REPORT

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 1.30 Singapore cents per ordinary share for FY2023 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.

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 FY2023 Sustainability Report of this Annual Report.

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 Company's website provides a link to SGX's website where shareholders can access half year and full year financial results. The Company's website, which is updated regularly, also 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 1207 (19) of the Listing Manual 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 1207 (19) of the Listing Manual. During FY2023, 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 FY2023.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS (“IPT”)

(Rule 907 of the Listing Manual of SGX-ST)

Details of the IPTs for FY2023 as required pursuant to Rule 907 of the Listing Manual 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)	Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$’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	224	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 Listing Manual of SGX-ST regulating IPTs for FY2023.

MATERIAL CONTRACTS

(Rule 1207 (8) of the Listing Manual 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.

CODE OF CONDUCT AND 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 2023.

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 2023 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 Sitoh Yih Pin

Prof Leong Ching Ching

Mr Peter Sim Swee Yam

(Appointed on 1 January 2024)

Mr Lam Kok Shang

(Appointed on 1 January 2024)

Dr Tan Khai Tong

(Appointed on 1 January 2024)

* Dr Khoo Kei Siong resigned as a director of the Company on 31 December 2023 and was appointed as an alternate director to Dr Ang Peng Tiam on 1 January 2024.

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:

Name of director	Direct Interest		Deemed Interest	
	No. of ordinary shares At the beginning of the financial year	No. of ordinary shares At the end of the financial year	No. of ordinary shares At the beginning of the financial year	No. of ordinary shares 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 (resigned as a director of the Company on 31 December 2023 and was appointed as an alternate director to Dr Ang Peng Tiam on 1 January 2024)	69,360,000	–	30,000,000	99,360,000
Mr S. Chandra Das	–	–	1,100,300	1,100,300
Prof Leong Ching Ching	180,000	180,000	120,000	120,000

By virtue of the Singapore Companies Act 1967,

- 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;
- Dr Khoo Kei Siong is deemed to have an interest in the 10,000,000, 20,000,000 and 69,360,000 shares of the Company held through Raffles Nominees (Pte.) Limited, HSBC (Singapore) Nominees Pte Ltd and DBS Nominees Pte Ltd respectively;
- 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
- Prof 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 2024.

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 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
Prof Leong Ching Ching
Mr Sitoh Yih Pin

During the year ended 31 December 2023, 650,000 share options lapsed upon expiry of the exercise period on 11 May 2023.

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 2023 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 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
				6,650,000

During the year ended 31 December 2023,

- The Company granted 7,692,000 performance shares under the PSP. These performance shares will vest if the employee remains in service at the date of vesting;
- 2,964,608 performance shares vested following which 2,964,608 ordinary shares in the Company 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 2023 are as follows:

Grant date	Expected to vest on	Outstanding as at 1 January 2023	Granted	Vested	Outstanding as at 31 December 2023
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 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
18 October 2022	18 October 2023	519,399	-	(519,399)	-
18 October 2022	18 October 2024	519,399	-	-	519,399
18 October 2022	18 October 2025	519,399	-	-	519,399
18 October 2022	18 October 2026	519,399	-	-	519,399
18 October 2022	18 October 2027	519,404	-	-	519,404
19 December 2023	19 December 2024	-	1,538,400	-	1,538,400
19 December 2023	19 December 2025	-	1,538,400	-	1,538,400
19 December 2023	19 December 2026	-	1,538,400	-	1,538,400
19 December 2023	19 December 2027	-	1,538,400	-	1,538,400
19 December 2023	19 December 2028	-	1,538,400	-	1,538,400
		8,998,946	7,692,000	(2,964,608)	13,726,338

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 1,062,015 (2022: 972,015) 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 half year and 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 Tan Khai Tong
Director

Singapore
1 April 2024

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023, 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 material accounting policies information.

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 2023 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 2023

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 59% 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 obtained and reviewed the Consultancy Restatement Agreement 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, and set expectations of PCC’s gross revenue and gross margin based on the number of patient visits, average billing and historical margin achieved and compared our expectations to the consultancy fees recorded. We also reviewed the adequacy of the disclosures in respect of revenue in Notes 2.18(a) and 4 to the financial statements.

Impairment assessment for investments in subsidiaries and associate

As at 31 December 2023, the cost of investments in subsidiaries and associate in the Company’s statement of financial position amounted to S\$24,210,000 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\$3,889,000 in respect of the Company’s investment in a subsidiary during the year ended 31 December 2023.

As part of its impairment review process, management prepared value-in-use computations using a discounted cash flow model to determine 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 evaluated the robustness of management’s budgeting process by comparing actual historical financial performance to previously forecasted results, historical data, and the industry outlook. 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 considered 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 14 and 16 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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.
- 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

- 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.

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 Tan Peck Yen.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 S\$'000	2022 S\$'000
Revenue	4	83,792	76,600
Other items of income			
Interest income		2,613	883
Other income	5	209	301
Other items of expense			
Employee benefits expense	6	(33,779)	(29,436)
Share-based payments expense	7	(548)	(499)
Operating lease expense	12	(65)	(59)
Depreciation of right-of-use assets	12	(2,127)	(2,027)
Depreciation of property, plant and equipment	11	(661)	(516)
Finance costs	8	(356)	(346)
Other operating expenses		(7,786)	(5,159)
Impairment loss on property, plant and equipment	8	(993)	–
Impairment loss on loan and investment securities	8	(978)	(640)
Share of results of associate		65	(332)
Share of results of joint ventures		(1,570)	(1,923)
Profit before tax	8	37,816	36,847
Income tax expense	9	(8,463)	(7,856)
Profit for the year		29,353	28,991
Profit/(loss) for the year attributable to:			
Owners of the Company		32,176	30,547
Non-controlling interests		(2,823)	(1,556)
Profit for the year		29,353	28,991
Earnings per share attributable to owners of the Company (cents per share)			
Basic	10	2.43	2.31
Diluted	10	2.42	2.30
Profit for the year		29,353	28,991
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		561	(712)
Other comprehensive income for the year, net of tax		561	(712)
Total comprehensive income for the year		29,914	28,279
Total comprehensive income for the year attributable to:			
Owners of the Company		32,737	29,835
Non-controlling interests		(2,823)	(1,556)
Total comprehensive income for the year		29,914	28,279

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	4,994	5,999	-	-
Right-of-use assets	12	4,667	4,083	-	-
Investment property	13	-	-	3,869	4,007
Investment in subsidiaries	14	-	-	17,570	19,152
Investment in joint ventures	15	830	1,786	-	-
Investment in associate	16	1,975	1,910	11,399	11,399
Loan to a joint venture	19	-	306	-	-
Trade receivables	19	222	300	-	-
		12,688	14,384	32,838	34,558
Current assets					
Inventories		1,424	1,275	-	-
Prepaid operating expenses		335	444	10	20
Trade and other receivables	19	11,443	11,822	300	459
Investment securities held for sale	18	-	653	-	653
Cash and short-term deposits	20	89,896	80,588	78,810	22,618
		103,098	94,782	79,120	23,750
Total assets		115,786	109,166	111,958	58,308
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	21	3,806	2,867	3,538	66
Other liabilities	22	10,287	6,815	206	181
Lease liabilities	12	1,927	1,851	-	-
Income tax payable		8,458	7,850	301	-
Loan from non-controlling shareholder to a subsidiary	21	2,800	-	-	-
		27,278	19,383	4,045	247
Net current assets		75,820	75,399	75,075	23,503
Non-current liabilities					
Lease liabilities	12	3,060	2,552	-	-
Loans from non-controlling shareholder to a subsidiary	21	1,390	2,682	-	-
		4,450	5,234	-	-
Total liabilities		31,728	24,617	4,045	247
Net assets		84,058	84,549	107,913	58,061
Equity attributable to owners of the Company					
Share capital	23	25,811	25,119	25,811	25,119
Merger reserve	24	(2,311)	(2,311)	-	-
Share-based payments reserve	25	526	930	526	930
Other reserve		2,807	2,807	-	-
Foreign currency translation reserve	26	413	(148)	-	-
Retained earnings		62,873	62,317	81,576	32,012
		90,119	88,714	107,913	58,061
Non-controlling interests		(6,061)	(4,165)	-	-
Total equity		84,058	84,549	107,913	58,061
Total equity and liabilities		115,786	109,166	111,958	58,308

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 2023

	Attributable to owners of the Company							Total equity S\$'000
	Share capital (Note 23) S\$'000	Retained earnings S\$'000	Merger reserve (Note 24) S\$'000	Share-based payments reserve (Note 25) S\$'000	Other reserve S\$'000	Foreign currency translation reserve (Note 26) S\$'000	Non-controlling interests S\$'000	
Group								
Opening balance at 1 January 2023	25,119	62,317	(2,311)	930	2,807	(148)	(4,165)	84,549
Profit for the year	-	32,176	-	-	-	-	(2,823)	29,353
Other comprehensive income								
Foreign currency translation	-	-	-	-	-	561	-	561
Other comprehensive income for the year, net of tax	-	-	-	-	-	561	-	561
Total comprehensive income for the year	-	32,176	-	-	-	561	(2,823)	29,914
Distributions to and contributions by owners								
Dividends (Note 31)	-	(31,787)	-	-	-	-	-	(31,787)
Share-based payments	-	-	-	455	-	-	93	548
Ordinary shares issued upon vesting of performance shares	692	-	-	(692)	-	-	-	-
Lapsed employee share options	-	167	-	(167)	-	-	-	-
Contribution of capital by non-controlling shareholder (Note 14)	-	-	-	-	-	-	400	400
Fair value adjustment for loans from non-controlling shareholder to a subsidiary (Note 21)	-	-	-	-	-	-	434	434
Closing balance at 31 December 2023	25,811	62,873	(2,311)	526	2,807	413	(6,061)	84,058

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company							Total equity S\$'000
	Share capital (Note 23) S\$'000	Retained earnings S\$'000	Merger reserve (Note 24) S\$'000	Share-based payments reserve (Note 25) S\$'000	Other reserve S\$'000	Foreign currency translation reserve (Note 26) S\$'000	Non-controlling interests S\$'000	
Group								
Opening balance at 1 January 2022	24,505	63,167	(2,311)	1,446	2,807	564	(2,678)	87,500
Profit for the year	-	30,547	-	-	-	-	(1,556)	28,991
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	-	-	-	(712)	-	(712)
Other comprehensive income for the year, net of tax	-	-	-	-	-	(712)	-	(712)
Total comprehensive income for the year	-	30,547	-	-	-	(712)	(1,556)	28,279
<u>Distributions to and contributions by owners</u>								
Dividends (Note 31)	-	(31,729)	-	-	-	-	-	(31,729)
Share-based payments	-	-	-	430	-	-	69	499
Ordinary shares issued upon vesting of performance shares	614	-	-	(614)	-	-	-	-
Lapsed employee share options	-	332	-	(332)	-	-	-	-
Closing balance at 31 December 2022	25,119	62,317	(2,311)	930	2,807	(148)	(4,165)	84,549

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company			
	Share capital (Note 23) S\$'000	Retained earnings S\$'000	Share-based payments reserve (Note 25) S\$'000	Total equity S\$'000
Company				
Opening balance at 1 January 2023	25,119	32,012	930	58,061
Profit for the year, representing total comprehensive income for the year	-	81,184	-	81,184
<u>Distributions to and contributions by owners</u>				
Dividends (Note 31)	-	(31,787)	-	(31,787)
Share-based payments	-	-	455	455
Lapsed employee share options	-	167	(167)	-
Ordinary shares issued upon vesting of performance shares	692	-	(692)	-
Closing balance at 31 December 2023	25,811	81,576	526	107,913
Opening balance at 1 January 2022	24,505	21,718	1,446	47,669
Profit for the year, representing total comprehensive income for the year	-	41,691	-	41,691
<u>Distributions to and contributions by owners</u>				
Dividends (Note 31)	-	(31,729)	-	(31,729)
Share-based payments	-	-	430	430
Lapsed employee share options	-	332	(332)	-
Ordinary shares issued upon vesting of performance shares	614	-	(614)	-
Closing balance at 31 December 2022	25,119	32,012	930	58,061

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 2023

	Note	Group	
		2023 S\$'000	2022 S\$'000
Operating activities			
Profit before tax		37,816	36,847
Adjustments for:			
Depreciation of property, plant and equipment	11	661	516
Depreciation of right-of-use assets	12	2,127	2,027
Share-based payments expense	7	548	499
Finance costs on unwinding of discount adjustment of loans to a subsidiary	21	142	135
Finance costs on lease liabilities	12	214	211
Interest income		(2,613)	(883)
Impairment loss on property, plant and equipment	11	993	–
Impairment loss on loan granted to a joint venture	15	325	200
Impairment loss on investment securities held for sale	18	653	440
Share of results of associate		(65)	332
Share of results of joint ventures		1,570	1,923
Currency re-alignment		2	142
Total adjustments		4,557	5,542
Operating cash flows before changes in working capital		42,373	42,389
Changes in working capital			
Increase in inventories		(149)	(503)
Decrease in prepaid operating expenses		109	42
Decrease/(increase) in trade and other receivables		757	(2,429)
Increase in trade and other payables		939	697
Increase in other liabilities		3,472	2,597
Total changes in working capital		5,128	404
Cash flows generated from operations		47,501	42,793
Interest received		2,294	597
Interest paid on lease liabilities		(214)	(211)
Income tax paid		(7,855)	(5,888)
Net cash flows generated from operating activities		41,726	37,291
Investing activities			
Purchase of plant and equipment	11	(704)	(314)
Purchase of a property	13	–	(4,012)
Investment in a joint venture	15	–	(86)
Loan to a joint venture	15	–	(600)
Net cash flows used in investing activities		(704)	(5,012)
Financing activities			
Dividends paid on ordinary shares	31	(31,787)	(31,729)
Proceeds from issuance of shares by a subsidiary to non-controlling shareholder	14	400	–
Loans from non-controlling shareholder to a subsidiary	21	1,800	–
Payment for principal portion of lease liabilities		(2,127)	(2,126)
Net cash flows used in financing activities		(31,714)	(33,855)
Net increase/(decrease) in cash and cash equivalents		9,308	(1,576)
Cash and cash equivalents at 1 January		80,588	82,164
Cash and cash equivalents at 31 December	20	89,896	80,588

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 2023

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, #02-02/03/04, 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 14, 15 and 16 to the financial statements.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and 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 of the following new and amended standards and interpretations which are relevant to the Group and are effective for annual financial period beginning on or after 1 January 2023.

Except for the below, 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.

Amendments to SFRS(I) 1-1: Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1: Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have an impact on the Group’s disclosure of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

(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.

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.

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 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, 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
Freehold property	– 30 years

The carrying values of property, 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 property, 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 Investment property

Investment property is a property that is owned to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

An investment property is initially measured at cost, including transaction costs.

Subsequent to initial recognition, the investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Freehold property	– 30 years
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The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Upon disposal of an investment property, the difference between the disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 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.

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Associates and joint ventures (cont'd)

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.

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.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (cont'd)

(a) **Financial assets (cont'd)**

Initial recognition and measurement (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 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.

2.15 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 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.16 Employee benefits (cont'd)

(c) *Employee leave entitlements*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.17 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.

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	– 3 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 2.9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.17 Leases (cont'd)

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

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.

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.

(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 under "Revenue" in the statement of comprehensive income.

2.18 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.18 Revenue (cont'd)

(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.

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 has ceased to provide consultancy services to HKH with effect from April 2023.

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 commenced business operations in 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 by SCC 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) **Cellular and gene therapy related products and services**

Revenue from the manufacturing of cellular and gene therapy related products is recognised either:

- At a 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 or
- Over time for contracts that include restrictive clauses which provide the customer with enforceable rights to the promised goods in the event that the Group seeks to direct the asset for another use and which the Group has enforceable rights to receive payment for the work completed to date. Revenue is recognised over time with reference to the Group's progress towards completing the promised goods which is determined based on the actual time incurred as a proportion of the total estimated time for production.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL 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 2023

2. MATERIAL 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 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 2023

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 investments in subsidiaries and associate

The Group assesses whether there are any indicators of impairment for investments in subsidiaries and associate.

Investments in subsidiaries and associate 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 prepares value-in-use computations using a discounted cash flow model to determine the recoverable values of the Company's investments in subsidiaries and associate. 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 14 and 16 to the financial statements.

(ii) Impairment of loans to a subsidiary and a joint venture

Loans to a subsidiary and a joint venture are assessed for expected credit losses ("ECL") when the Company determined that the subsidiary or joint venture is 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 2023, the Company recorded an aggregate of S\$2,262,000 (2022: S\$204,000) of ECL on its loans to a subsidiary and the Group recorded an aggregate of S\$325,000 (2022: S\$200,000) on its loan to a joint venture. The ECL recorded represented the Group's and the Company's assessment of the likelihood of default and what management estimates to recover from the subsidiary and joint venture. Estimation of the ECL involved significant management's judgement and estimation in the area of forecasting cash flows arising from future results of the subsidiary's and joint venture's operations and the discount rate used. Management's forecasting process compares the assumptions to the historical performance, where available, of the subsidiary and joint venture and considers the industry outlook on the forecasted results.

The key assumptions applied in the determination of the recoverable amounts for the loans to a subsidiary and a joint venture are disclosed in Notes 14 and 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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).

	Oncology services		Management fees		Cellular and gene therapy related products and services		Total revenue	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets								
Singapore	49,588	47,457	29,206	25,173	7	–	78,801	72,630
China and Hong Kong	2,106	660	49	2	–	–	2,155	662
Vietnam	54	53	28	18	–	–	82	71
Australia	–	–	–	–	1,200	2,563	1,200	2,563
India	–	–	–	–	–	417	–	417
United States of America	–	–	–	–	549	257	549	257
New Zealand	–	–	–	–	1,005	–	1,005	–
	51,748	48,170	29,283	25,193	2,761	3,237	83,792	76,600
Timing of transfer of goods or services								
At a point in time	–	–	–	–	341	593	341	593
Over time	51,748	48,170	29,283	25,193	2,420	2,644	83,451	76,007
	51,748	48,170	29,283	25,193	2,761	3,237	83,792	76,600

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 the provision of specialist doctors and clinical staff to PCC.

Details of these oncology-related consultancy services are as disclosed in Note 2.18(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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) **Cellular and gene therapy related products and services**

Nature of goods or services

The Group provides cellular and gene therapy related services through its subsidiary, CellVec Pte. Ltd. ("CellVec"), and BioCell Innovations Pte. Ltd.. The Group also manufactures viral vectors through CellVec. As at 31 December 2023, BioCell Innovations Pte. Ltd. has yet to commence operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. REVENUE (CONT'D)

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

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

Timing of transfer of goods or services

Revenue from the manufacturing of cellular and gene therapy related products is recognised as follows:

- (i) At a 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.
- (ii) For contracts that include restrictive clauses which provide the customer with enforceable rights to the promised goods in the event that the Group seeks to direct the asset for another use and which the Group has enforceable rights to receive payment for the work completed to date, revenue is recognised over time with reference to the Group's progress towards completing the promised goods. The measure of progress is determined based on the actual time incurred as a proportion of the total estimated time.

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.

Significant payment terms

Invoices are issued in accordance with the milestones as stipulated in the sales contracts and are payable within 30 to 45 days.

(c) Transaction price allocated to remaining performance obligations

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

	Group	
	2023	2022
	S\$'000	S\$'000
At 1 January	2,094	775
Recognised as revenue during the year	(662)	(775)
Unsatisfied (or partially unsatisfied) performance obligations	1,374	2,094
At 31 December	2,806	2,094
Expected to be recognised in:		
One year or less	2,806	662
More than one year	-	1,432

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. OTHER INCOME

	Group	
	2023	2022
	S\$'000	S\$'000
Government-paid childcare and maternity leave	42	61
Grant income from Wage Credit Scheme	26	14
Grant income from Special Employment Credit Scheme	7	7
Grant income from Jobs Growth Incentive ("JGI")	35	168
Grant income from other government schemes	58	33
Others	41	18
	209	301

6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023	2022
	S\$'000	S\$'000
Employee benefits expense (including those employee benefits expense of directors):		
Salaries and bonuses	32,160	27,879
Central Provident Fund contributions	1,376	1,285
Other short-term benefits	243	272
	33,779	29,436

7. SHARE-BASED PAYMENTS EXPENSE

	Group	
	2023	2022
	S\$'000	S\$'000
Share-based payments expense in relation to:		
– The Company's Employee Share Option Scheme ("ESOS") and Performance Share Plan ("PSP")	455	430
– Performance shares granted by TalkMed China Pte. Ltd. to its employees	93	69
	548	499

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

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.

During the year ended 31 December 2023, 650,000 (2022: 1,300,000) share options were forfeited when the exercise period lapsed on 11 May 2023 (2022: 11 May 2022).

There was no option granted and there was no cancellation or modification to the ESOS during the years ended 31 December 2023 and 2022.

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 2023 and 2022:

	2023		2022	
	No.	WAEP S\$	No.	WAEP S\$
Outstanding at 1 January	7,300,000	0.4570	8,600,000	0.4869
Forfeited during the year	(650,000)	0.6546	(1,300,000)	0.6546
Outstanding at 31 December	6,650,000	0.4377	7,300,000	0.4570
Exercisable at 31 December	6,650,000	0.4377	5,800,000	0.4681

The weighted average fair values of share options granted on 11 May 2017 and 10 May 2019, excluding the forfeited share options, were S\$0.2594 (2022: S\$0.2584) and S\$0.1660 (2022: S\$0.1660) respectively.

There were no share options exercised during the years ended 31 December 2023 and 2022.

The range of exercise prices for share options outstanding at the end of the year was S\$0.4142 to S\$0.6546 (2022: 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 2.1 (2022: 1.8) years and 1.0 (2022: 1.9) years respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

Employee Share Option Scheme (cont'd)

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.

Performance Share Plan

On 11 May 2017, 13 March 2020, 15 October 2021, 18 October 2022 and 19 December 2023, the Company awarded equity-settled performance shares to the employees of the Group under the PSP. As at 31 December 2023, performance shares granted on 11 May 2017 were fully vested and ordinary shares have been issued to employees upon vesting.

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 were no performance shares forfeited and there was no cancellation or modification to the PSP during the years ended 31 December 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

Performance Share Plan (cont'd)

Movements of performance shares

The following table illustrates the number ("No.") and movements in performance shares for the years ended 31 December 2023 and 2022:

	2023	2022
	No.	No.
Outstanding at 1 January	8,998,946	8,847,154
Performance shares awarded during the year	7,692,000	2,597,000
Performance shares vested during the year	(2,964,608)	(2,445,208)
Outstanding at 31 December	13,726,338	8,998,946

The weighted average fair values of performance shares granted on 13 March 2020, 15 October 2021, 18 October 2022 and 19 December 2023, excluding performance shares which had vested, were S\$0.1870 (2022: S\$0.2072), S\$0.1893 (2022: S\$0.1982), S\$0.2048 (2022: S\$0.2128) and S\$0.2182 (2022: S\$Nil) respectively. At 31 December 2023, the weighted average remaining contractual life for these performance shares was 2.3 (2022: 1.8) years.

Fair value of performance shares granted

The fair values of the performance shares granted in 2020, 2021, 2022 and 2023 under the PSP were estimated at the grant date using the expected value of shares based on either dividend adjusted share price or Finnerty Put Option Model.

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

	PSP			
	2023	2022	2021	2020
Average dividend payout (%)	5.30	4.50	4.70	5.10
Risk-free interest rate (% p.a.)	2.91 to 3.77	3.26 to 3.46	0.32 to 0.92	0.90 to 1.06
Expected life of performance shares from the date of grant (years)	1 to 10	1 to 10	1 to 10	0 to 10

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. PROFIT BEFORE TAX

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

	Note	Group	
		2023 S\$'000	2022 S\$'000
Audit fees:			
– Auditor of the Company		173	157
– Other member firms of Ernst & Young Global		79	80
Non-audit fees:			
– Auditor of the Company		29	29
Finance costs on:			
– Lease liabilities	12	214	211
– Unwinding of discount adjustment of loans to a subsidiary	21	142	135
Impairment loss on property, plant and equipment	11	993	–
Impairment loss on loan granted to a joint venture	15	325	200
Impairment loss on investment securities held for sale	18	653	440

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group	
	2023 S\$'000	2022 S\$'000
Current income tax:		
– Current income taxation	8,462	7,856
– Under provision in respect of prior years	1	–
Income tax expense recognised in profit or loss	8,463	7,856

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 and 2022 is as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Profit before tax	37,816	36,847
Tax at the corporate tax rate of 17%	6,429	6,264
Adjustments:		
Non-deductible expenses	1,089	843
Income not subject to tax	(90)	(102)
Effect of partial tax exemption and tax relief	(182)	(93)
Deferred tax assets not recognised	955	555
Under provision in respect of prior years	1	–
Share of results of associate	(11)	56
Share of results of joint ventures	267	327
Withholding tax	5	5
Others	–	1
Income tax expense recognised in profit or loss	8,463	7,856

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 31).

Unrecognised tax losses and capital allowances

At the end of the reporting period, the Group has tax losses and capital allowances of approximately S\$24,106,000 (2022: S\$18,487,000) 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 2023

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	
	2023	2022
	S\$'000	S\$'000
Profit for the year attributable to owners of the Company	32,176	30,547
	No. of shares	No. of shares
Weighted average number of ordinary shares outstanding for computation of basic earnings per share	1,324,333,587	1,321,774,953
Effect of dilution:		
– Contingently issuable performance shares	7,493,876	7,715,178
Weighted average number of ordinary shares outstanding for computation of diluted earnings per share	1,331,827,463	1,329,490,131

6,650,000 (2022: 7,300,000) 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 2024, the Company allotted and issued 1,145,032 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 1,325,519,163 as at 31 December 2023 to 1,326,664,195 ordinary shares.

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 2023

11. PROPERTY, 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	Freehold property (Note 13) S\$'000	Total S\$'000
Group								
Cost								
At 1 January 2022	325	455	134	341	5,628	2,087	–	8,970
Additions	15	–	–	57	–	242	4,012	4,326
Translation differences	(13)	(37)	(5)	(4)	(157)	–	–	(216)
At 31 December 2022 and 1 January 2023	327	418	129	394	5,471	2,329	4,012	13,080
Additions	1	9	1	71	167	455	–	704
Translation differences	(7)	(17)	(1)	(3)	(71)	–	–	(99)
At 31 December 2023	321	410	129	462	5,567	2,784	4,012	13,685
Accumulated depreciation and impairment loss								
At 1 January 2022	183	73	94	274	3,967	2,030	–	6,621
Depreciation charge for the year	35	65	8	14	380	9	5	516
Translation differences	(5)	(9)	(1)	(1)	(40)	–	–	(56)
At 31 December 2022 and 1 January 2023	213	129	101	287	4,307	2,039	5	7,081
Depreciation charge for the year	32	61	7	23	336	64	138	661
Impairment loss (Note 14(a))	15	–	8	109	180	681	–	993
Translation differences	(4)	(6)	(1)	(1)	(32)	–	–	(44)
At 31 December 2023	256	184	115	418	4,791	2,784	143	8,691
Net book value								
At 31 December 2022	114	289	28	107	1,164	290	4,007	5,999
At 31 December 2023	65	226	14	44	776	–	3,869	4,994

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 3 (2022: 3) years. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group also has certain lease for office premise 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.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. LEASES (CONT'D)

Group as a lessee (cont'd)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the years ended 31 December 2023 and 2022:

	Group			
	Right-of-use assets			
	Clinics S\$'000	Office premises S\$'000	Laboratory premises S\$'000	Total S\$'000
At 1 January 2022	5,550	474	141	6,165
Lease modification	61	–	–	61
Depreciation charge for the year	(1,701)	(213)	(113)	(2,027)
Translation differences	(116)	–	–	(116)
At 31 December 2022 and 1 January 2023	3,794	261	28	4,083
Lease modifications	1,124	1,384	439	2,947
Disposals	–	(122)	–	(122)
Depreciation charge for the year	(1,701)	(288)	(138)	(2,127)
De-recognition	–	(65)	–	(65)
Translation differences	(49)	–	–	(49)
At 31 December 2023	3,168	1,170	329	4,667

Set out below are the carrying amounts of lease liabilities and the movements during the years ended 31 December 2023 and 2022:

	Group	
	2023 S\$'000	2022 S\$'000
	At 1 January	4,403
Lease modifications	2,941	61
Disposals	(131)	–
De-recognition	(69)	–
Accretion of interest	214	211
Payments	(2,341)	(2,337)
Translation differences	(30)	–
At 31 December	4,987	4,403
Current	1,927	1,851
Non-current	3,060	2,552
At 31 December	4,987	4,403

The maturity analysis of lease liabilities is disclosed in Note 28(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. LEASES (CONT'D)

Group as a lessee (cont'd)

The following amounts are recognised in profit or loss:

	Group	
	2023 S\$'000	2022 S\$'000
Depreciation of right-of-use assets	2,127	2,027
Finance costs on lease liabilities	214	211
Expenses relating to short-term leases and leases of low-value assets	65	59
Total amounts recognised in profit or loss	2,406	2,297

The Group had total cash outflows for leases of S\$2,406,000 (2022: S\$2,396,000) for the year ended 31 December 2023. Non-cash additions to right-of-use assets and lease liabilities amounted to S\$2,385,000 for the year ended 31 December 2023. There were no non-cash additions to right-of-use assets and lease liabilities for the year ended 31 December 2022. 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	After	Total
	one year	one year	
	S\$'000	but not more than five years S\$'000	S\$'000
2023			
Extension options expected not to be exercised	564	1,657	2,221
2022			
Extension options expected not to be exercised	540	1,561	2,101

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. LEASES (CONT'D)

Group as a lessor

The Group has entered into operating leases on clinics. These leases have terms of 27 to 60 (2022: 13 to 27) 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 2023 was S\$1,683,000 (2022: S\$1,672,000).

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

	2023	2022
	S\$'000	S\$'000
Within one year	1,419	1,546
After one year but not more than five years	969	1,155
	2,388	2,701

Company as a lessor

The Company has entered into an operating lease on a property with a subsidiary. The lease has a term of 36 (2022: 36) months.

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

	2023	2022
	S\$'000	S\$'000
Within one year	149	149
After one year but not more than five years	149	298
	298	447

13. INVESTMENT PROPERTY

On 7 December 2022, the Company completed the purchase of a commercial property located at 100 Pasir Panjang Road, #04-02, Singapore 118518.

At the Company level, the property is accounted for as an investment property in accordance with SFRS(I) 1-40 Investment Property as it is owned by the Company to earn rental income from its subsidiary and/or for capital appreciation. At the Group level, the property is accounted for as an item of property, plant and equipment ("PPE") in accordance with SFRS(I) 1-16 Property, Plant and Equipment (Note 11) as it is used in the Group's operations.

In December 2022, the Company entered into an operating lease on the property with a subsidiary for a tenure of 6 years. Rental income recognised by the Company during the year ended 31 December 2023 was S\$149,000 (2022: S\$11,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. INVESTMENT PROPERTY (CONT'D)

Set out below are the carrying amount of the investment property and the movements during the years ended 31 December 2023 and 2022:

	Company	
	2023	2022
	S\$'000	S\$'000
Cost		
At 1 January	4,012	–
Addition	–	4,012
At 31 December	4,012	4,012
Accumulated depreciation		
At 1 January	5	–
Depreciation charge for the year	138	5
At 31 December	143	5
Net book value	3,869	4,007

The property held by the Company and the Group is as follows:

Description	Location	Tenure
Light industrial property	100 Pasir Panjang Road, #04-02, Singapore 118518	Freehold

As at 31 December 2022, the fair value of the investment property was approximately S\$4,012,000 which was estimated based on its purchase price and transaction costs. As at 31 December 2023, the fair value of the investment property was approximately S\$3,900,000 based on the valuation performed by Savills Valuation and Professional Services (S) Pte Ltd, an accredited independent valuer, using the direct comparison method.

As at 31 December 2023 and 2022, the property had not been pledged to any financial institution to secure bank facilities.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	S\$'000	S\$'000
Equity shares, at cost	24,210	23,010
Discount on interest-free loans to a subsidiary (Note 19)	1,612	960
Deemed contribution in respect of share-based payments to employees of Singapore Cancer Centre Pte. Ltd.	4,563	4,108
Impairment loss	(12,815)	(8,926)
	17,570	19,152

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

At 31 December 2023, the Company's cost of investment in subsidiaries amounted to S\$24,210,000 (2022: S\$23,010,000). The increase in the cost of investment in subsidiaries was due to the following:

- Additional capital injection of S\$600,000 in its subsidiary, TalkMed Greater China Pte. Ltd.; and
- Capital injection of S\$600,000 into a new subsidiary, BioCell Innovations Pte. Ltd. ("BioCell"), which was incorporated on 6 July 2023, representing the Company's 60% in BioCell. The remaining 40% interest was held by StemCord Pte Ltd which injected capital of S\$400,000.

During the year ended 31 December 2023, the Company recognised additional impairment loss of S\$3,889,000 (2022: S\$1,800,000) in respect of the carrying amount of the Company's investment in CellVec Pte. Ltd. and TalkMed Greater China Pte. Ltd. and the cumulative impairment loss as at 31 December 2023 amounted to S\$12,815,000 (2022: S\$8,926,000).

Further information on the impairment losses that were recorded during the years ended 31 December 2023 and 2022 is disclosed in Note 14(a).

The Group has the following investment in subsidiaries:

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest	
			2023 %	2022 %
<i>Held by the Company:</i>				
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 specialist oncology services (Vietnam)	100	100
TalkMed Greater China Pte. Ltd. ("TMGC") ^a	Singapore	Provision of healthcare management services (Singapore)	100	100
CellVec Pte. Ltd. ("CellVec") ^a	Singapore	Provision of cellular and gene therapy related products and services (Singapore)	60	60
BioCell Innovations Pte. Ltd. ("BioCell") ^{b, d}	Singapore	Development of novel processing platforms for cell and gene therapy and carrying out research in genetic modification of immune cells (Singapore)	60	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest	
			2023 %	2022 %
<i>Held through TalkMed Greater China Pte. Ltd.:</i>				
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
<i>Held through TalkMed China Pte. Ltd.:</i>				
TalkMed Hospital Management (Beijing) Co., Ltd. ^b	China	Provision of healthcare management services (China)	100	100
Beijing Yachuang Siwei Investment Management Co., Ltd. ^b	China	Provision of healthcare management services (China)	90 ^c	90 ^c
<i>Held through Beijing Yachuang Siwei Investment Management Co., Ltd.:</i>				
Beijing Deyi Shanshui Clinic Co., Ltd. ^b	China	Provision of healthcare management services (China)	100	100

^a Audited by Ernst & Young LLP, Singapore.^b These entities do not require statutory audit for the years ended 31 December 2023 and/or 2022.^c The Group exercises control over and derives economic benefits from the remaining 10% (2022: 10%) interest in the entity through contractual arrangements.^d As at 31 December 2023, this entity was in a pre-operating stage and has not commenced commercial operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) ***Impairment test for investments in subsidiaries, including property, plant and equipment held by a subsidiary and loans to a subsidiary***

Investment in TMGC

TMGC provides healthcare management services in China. The recoverable amount of the investment in TMGC has 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 TMGC, the cash flows beyond the initial five years were extrapolated using a long-term growth rate of 2.2% (2022: 2.0%) 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 15% and 20% (2022: 8% and 79%). The post-tax discount rate applied to the cash flow projections is 22.5% (2022: 18.3%) per annum.

Based on the impairment assessment carried out during the year ended 31 December 2023, the Company recognised impairment losses of S\$3,237,000 (2022: S\$Nil) in respect of the carrying value of the Company's investment in TMGC.

Investment in CellVec, including property, plant and equipment held by CellVec and loans to CellVec

CellVec provides cellular and gene therapy related products and services. The recoverable amount of the investment in CellVec has 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% (2022: 2.0%) 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 175% (2022: 5% and 122%). The post-tax discount rate applied to the cash flow projections is 20.4% (2022: 27.7%) per annum.

Based on the impairment assessment carried out during the year ended 31 December 2023, the Company recognised impairment losses of S\$652,000 (2022: S\$1,800,000) in respect of the carrying value of the Company's investment in CellVec.

Using the same set of cash flow projections, (i) the Company assessed the recoverability of its loans to CellVec and recognised impairment loss of S\$2,262,000 (2022: S\$204,000) (Note 19); and (ii) the Group recorded impairment losses of S\$993,000 (2022: S\$Nil) on CellVec's property, plant and equipment (Note 11).

Based on the impairment review carried out during the year ended 31 December 2023, 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 property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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 entities.

Post-tax discount rate – Discount rate represents the current market assessment of the risks specific to the entities, 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.

(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		Loss allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period		Dividends paid to NCI	
		interests held by non-controlling interests		2023	2022	2023	2022	2023	2022
		2023	2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
CellVec	Singapore	40	40	(2,810)	(1,556)	(6,704)	(3,894)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) *Interest in subsidiary with material non-controlling interests ("NCI") (cont'd)*

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.	
	2023	2022
	S\$'000	S\$'000
Current		
Assets	2,948	2,623
Liabilities	(5,142)	(2,856)
Net current liabilities	(2,194)	(233)
Non-current		
Assets	1,318	650
Liabilities	(11,444)	(6,797)
Net non-current liabilities	(10,126)	(6,147)
Net liabilities	(12,320)	(6,380)

Summarised statements of comprehensive income

	CellVec Pte. Ltd.	
	2023	2022
	S\$'000	S\$'000
Revenue	2,761	3,237
Loss before and after tax	(7,026)	(3,890)
Total comprehensive income	(7,026)	(3,890)

Other summarised information

	CellVec Pte. Ltd.	
	2023	2022
	S\$'000	S\$'000
Net cash flows used in operations	(3,394)	(2,358)
Acquisitions of property, plant and equipment	665	298

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15. INVESTMENT IN JOINT VENTURES

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

	Group	
	2023 S\$'000	2022 S\$'000
Equity shares, at cost	4,871	4,871
Discount on interest-free loan to joint venture (Note 19)	98	98
Share of results of joint ventures	(4,552)	(2,982)
Foreign currency translation	413	(201)
	830	1,786

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	
			2023 %	2022 %
<i>Held through TalkMed</i>				
<i>Chongqing Pte. Ltd.:</i>				
Sino-Singapore Hospital Management (Chongqing) Co., Ltd. ("SSHM") ^a	China	Investment holding (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	30
<i>Held through SSHM:</i>				
Sino-Singapore Cancer Centre ("SSCC") ^a	China	Provision of specialist oncology services (China)	100	100

^a These entities do not require statutory audit for the years ended 31 December 2023 and 2022.^b As at 31 December 2023, this entity was in a pre-operating stage and has not commenced commercial operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVESTMENT IN JOINT VENTURES (CONT'D)

(a) Impairment test for loan to a joint venture

	Carrying amount		Basis on which recoverable amount is determined	Post-tax discount rate per annum	
	2023	2022		2023	2022
	S\$'000	S\$'000		%	%
Group					
SSHM					
Loan to a joint venture (Note 19)	-	306	Value-in-use	22.5	18.3

During the year ended 31 December 2022, the Group through its subsidiary, TalkMed Chongqing Pte. Ltd., granted an interest-free loan of S\$600,000 to its joint venture, SSHM.

As SSHM is an investment holding company with no trade activity, the recoverable amount of the loan to a joint venture has been determined based on value-in-use calculation using cash flow projections from financial budgets of Sino-Singapore Cancer Centre ("SSCC") that were approved by management covering a five-year period. The cash flows for the five-year period included revenue growth rate of between 15% and 20% (2022: 8% and 79%).

During the year ended 31 December 2023, the Group had assessed the recoverability of the loan made to SSHM and concluded that a further impairment of S\$325,000 (2022: S\$200,000) was required. Consequently, the loan was fully impaired as at 31 December 2023 (Note 19).

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 weighted average cost of capital ("WACC").

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVESTMENT IN JOINT VENTURES (CONT'D)

(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.	
	2023	2022
	S\$'000	S\$'000
Cash at banks and on hand	481	611
Current assets (excluding cash at banks and on hand)	4,095	3,032
Non-current assets	13,230	14,457
Total assets	17,806	18,100
Current liabilities	15,483	15,373
Includes:		
– Financial liabilities (excluding trade and other payables and provisions)	–	–
Non-current liabilities	1,189	–
Includes:		
– Financial liabilities (excluding trade and other payables and provisions)	–	–
Total liabilities	16,672	15,373
Net assets	1,134	2,727
Proportion of the Group's ownership	60%	60%
Group's share of net assets	680	1,636
Carrying amount of investment	680	1,636

Summarised statements of comprehensive income

	Sino-Singapore Hospital Management (Chongqing) Co., Ltd.	
	2023	2022
	S\$'000	S\$'000
Revenue	10,238	7,434
Depreciation of property, plant and equipment	1,592	1,386
Interest income	5	9
Loss before and after tax	(2,617)	(3,180)
Total comprehensive income	(2,617)	(3,180)
Group's share of total comprehensive income	(1,570)	(1,908)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVESTMENT IN JOINT VENTURES (CONT'D)

(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.	
	2023 S\$'000	2022 S\$'000
Equity shares, at cost	171	171
Cumulative share of results of joint venture	(21)	(21)
	150	150
Loss before and after tax	-	50
Total comprehensive income	-	50

16. INVESTMENT IN ASSOCIATE

The Group's investment in associate is summarised below:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Hong Kong Integrated Oncology Centre Holdings Limited				
Equity shares, at cost	11,524	11,524	11,524	11,524
Cumulative share of results of associate	(11,903)	(11,968)	-	-
Cumulative 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)	-	-
	1,975	1,910	11,399	11,399

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. INVESTMENT IN ASSOCIATE (CONT'D)

The Group has the following investment in associate:

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest	
			2023 %	2022 %
Held by the Company:				
Hong Kong Integrated Oncology Centre Holdings Limited ("HKH") ^a	Cayman Islands	Investment holding (Hong Kong)	30	30
Held through HKH:				
Hong Kong Integrated Oncology Centre Limited ("HKIOC") ^a	Hong Kong	Provision of specialist oncology services (Hong Kong)	70	69
Held through 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.

(a) Impairment test for investment in associate

Company	Carrying amount		Basis on which recoverable amount is determined	Post-tax discount rate per annum	
	2023 S\$'000	2022 S\$'000		2023 %	2022 %
HKH					
Investment in associate	11,399	11,399	Value-in-use	12.5	12.5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. INVESTMENT IN ASSOCIATE (CONT'D)

(a) *Impairment test for investment in associate (cont'd)*

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 2% (2022: 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 5% and 20% (2022: 6% and 32%).

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 2023 and 2022.

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

For the year ended 31 December 2023, a decrease of 0.7% in the average revenue growth rate per annum would result in estimated recoverable amount being equal to the carrying amount.

For the year ended 31 December 2022, management was 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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16. 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	
	2023	2022
	S\$'000	S\$'000
Current assets	9,021	9,094
Non-current assets	21,424	23,112
Total assets	30,445	32,206
Current liabilities	16,313	16,143
Non-current liabilities	13,009	13,692
Total liabilities	29,322	29,835
Net assets	1,123	2,371
Non-controlling interests	2,476	1,276
	3,599	3,647
Proportion of the Group's ownership	30%	30%
Group's share of net assets	1,080	1,094
Goodwill on acquisition	930	945
Other adjustments	(35)	(129)
Carrying amount of investment	1,975	1,910

Summarised statements of comprehensive income

	Hong Kong Integrated Oncology Centre Holdings Limited	
	2023	2022
	S\$'000	S\$'000
Revenue	48,684	47,149
Profit/(loss) before and after tax	217	(1,107)
Total comprehensive income	217	(1,107)

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT SECURITIES

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

	Group and Company	
	2023	2022
	S\$'000	S\$'000
At 1 January	-	1,093
Classification as asset held for sale (Note 18)	-	(1,093)
At 31 December	-	-
Investment securities	-	-

The investment securities relate to 811 Class C non-voting participating shares in Regenosia Gero-Science Fund SP (the "Fund") obtained by the Company as consideration for the disposal of its entire 55.2% stake in Stem Med Pte. Ltd. ("Stem Med") during the year ended 31 December 2021.

During the year ended 31 December 2022, the Group decided to divest its investment securities which have accordingly been classified as investment securities held for sale as at 31 December 2022 (Note 18).

18. INVESTMENT SECURITIES HELD FOR SALE

	Group and Company	
	2023	2022
	S\$'000	S\$'000
At 1 January	653	-
Classification as asset held for sale (Note 17)	-	1,093
Less: Impairment loss	(653)	(440)
At 31 December	-	653

As disclosed in Note 32(c) to the financial statements, there were disputes and legal proceedings between Stem Med and the other parties that had significantly disrupted the operations of the Fund. As a result, the Group recorded an impairment loss of S\$653,000 (2022: S\$440,000) in marking down the carrying amount of the investment securities held for sales to its net realisable value of S\$Nil (2022: S\$653,000).

As at 31 December 2023, management assessed that the criteria in SFRS(I) 5 Non-current assets Held for Sale and Discontinued Operations were no longer met as the investment securities are unlikely to be available for immediate sale in its present condition. Accordingly, the asset was reclassified to "investment securities" (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

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19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current:				
Trade receivables	10,572	10,735	-	69
GST receivable	64	360	-	283
Amounts due from a subsidiary (non-trade)	-	-	-	18
Refundable deposits	464	403	-	-
Interest receivables	300	281	300	89
Other receivables	43	43	-	-
	11,443	11,822	300	459
Non-current				
Trade receivables	222	300	-	-
Loan to a joint venture	-	306	-	-
	222	606	-	-
Total trade and other receivables (current and non-current)	11,665	12,428	300	459
Add: Cash and short-term deposits (Note 20)	89,896	80,588	78,810	22,618
Less: GST receivable	(64)	(360)	-	(283)
Total financial assets carried at amortised cost	101,497	92,656	79,110	22,794

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.

Amounts due from a subsidiary (non-trade)

These amounts are unsecured, non-interest bearing, repayable upon demand and are fully settled in cash during the year ended 31 December 2023.

Loans to a subsidiary

During the years ended 31 December 2018 and 2023, the Company and a non-controlling shareholder, StemCord Pte Ltd ("StemCord"), granted interest-free loans to CellVec.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Loans to a subsidiary (cont'd)

Details of the loans are summarised in the table below:

Name of subsidiary	Date of grant	Gross amount of loans granted			Date of repayment
		Company	StemCord (Note 21)	Total	
		S\$'000	S\$'000	S\$'000	
CellVec	1 November 2018	4,200	2,800	7,000	31 October 2023
CellVec	1 July 2023	1,200	800	2,000	30 June 2028
CellVec	1 November 2023	1,500	1,000	2,500	31 October 2028

The interest-free loans were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The 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	
	2023 S\$'000	2022 S\$'000
At 1 January	-	-
Loans to subsidiary during the year:		
- Original loan amounts	2,700	-
- Discount on loans (Note 14)	(652)	-
	2,048	-
Interest income on unwinding of discount adjustment	214	204
Less: Allowance for impairment loss (Note 14(a))	(2,262)	(204)
At 31 December	-	-

Movements in the allowance account during the years ended 31 December 2023 and 2022 are as follows:

	Company	
	2023 S\$'000	2022 S\$'000
At 1 January	4,023	3,819
Charge for the year (Note 14(a))	2,262	204
At 31 December	6,285	4,023

During the year ended 31 December 2023, the Company carried out an assessment of the recoverable amount of the loans to the subsidiary and recognised additional impairment loss of S\$2,262,000 (2022: S\$204,000).

Based on cash flow projections prepared for the subsidiary, the Company determined that the subsidiary was unlikely to meet the contractual cash flows of the intercompany loans when payments are due. Accordingly, management assessed that the risk of default by the intercompany debtor continues to be high and the loans remain impaired and no reversal is required in respect of the impairment loss previously recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Loan to a joint venture (non-current)

During the year ended 31 December 2022, the Group through its subsidiary, TalkMed Chongqing Pte. Ltd., granted an interest-free loan of S\$600,000 to its joint venture, SSHM.

The loan has a tenure of 5 years and is repayable on 30 September 2027.

The interest-free loan was recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value was 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	
	2023	2022
	S\$'000	S\$'000
At 1 January	306	-
Loan during the year:		
Original loan amount	-	600
Discount on loan	-	(98)
	-	502
Interest income on unwinding of discount adjustment	19	4
Less: Allowance for impairment loss (Note 15(a))	(325)	(200)
At 31 December	-	306

Movements in the allowance account during the years ended 31 December 2023 and 2022 are as follows:

	Group	
	2023	2022
	S\$'000	S\$'000
At 1 January	200	-
Charge for the year (Note 15(a))	325	200
At 31 December	525	200

During the year ended 31 December 2023, the Group assessed the recoverability of the loan to the joint venture and concluded that a further impairment loss of S\$325,000 (2022: S\$200,000) was required. Further information about the impairment loss is included in Note 15(a) to the financial statements.

Except for the loans to a subsidiary and a joint venture, management has assessed that the loss allowance provision as at 31 December 2023 and 2022 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 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cash at banks and on hand	12,431	22,494	1,345	618
Short-term deposits	77,465	58,094	77,465	22,000
Total cash and short-term deposits	89,896	80,588	78,810	22,618

Cash at banks earn interest ranging from 0.10% to 0.68% (2022: 0.02% to 0.55%) per annum. Short-term deposits are made for periods of up to 3 months (2022: 3 months and 6 months), depending on the immediate cash requirements of the Group, and earn interests ranging from 3.81% to 4.15% (2022: 0.55% to 4.15%) per annum.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<i>Trade and other payables:</i>				
Trade payables	1,479	756	-	-
GST payable	1,346	1,361	-	-
Rental deposits	503	472	37	38
Other payables	188	229	1	28
Amount due to a subsidiary (non-trade)	-	-	3,500	-
Amounts due to a director-related company (non-trade)	1	1	-	-
Amounts due to non-controlling shareholder (non-trade)	289	48	-	-
Total trade and other payables	3,806	2,867	3,538	66
Add: Accrued operating expenses (Note 22)	7,454	4,684	206	181
Add: Lease liabilities (Note 12)	4,987	4,403	-	-
Add: Loans from non-controlling shareholder to a subsidiary	4,190	2,682	-	-
Less: GST payable	(1,346)	(1,361)	-	-
Total financial liabilities carried at amortised cost	19,091	13,275	3,744	247

Trade payables

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

Amounts due to a subsidiary, a director-related company and non-controlling shareholder (non-trade)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. TRADE AND OTHER PAYABLES (CONT'D)

Loans from non-controlling shareholder to a subsidiary

During the years ended 31 December 2018 and 2023, the Company and a non-controlling shareholder, StemCord Pte Ltd ("StemCord"), granted interest-free loans to CellVec.

Details of the loans are summarised in the table below:

Name of subsidiary	Date of grant	Gross amount of loans granted			Date of repayment
		Company	StemCord	Total	
		(Note 19) S\$'000	S\$'000	S\$'000	
CellVec	1 November 2018	4,200	2,800	7,000	31 October 2023
CellVec	1 July 2023	1,200	800	2,000	30 June 2028
CellVec	1 November 2023	1,500	1,000	2,500	31 October 2028

The interest-free loans were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The 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	
	2023 S\$'000	2022 S\$'000
At 1 January	2,682	2,547
Loans from non-controlling shareholder to subsidiaries during the year:		
– Original loan amounts	1,800	–
– Discount on loans	(434)	–
	1,366	–
Finance costs on unwinding of discount adjustment (Note 8)	142	135
At 31 December	4,190	2,682
Current	2,800	–
Non-current	1,390	2,682
At 31 December	4,190	2,682

NOTES TO THE FINANCIAL STATEMENTS

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22. OTHER LIABILITIES

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Accrued operating expenses	7,454	4,684	206	181
Deferred grant income	27	37	-	-
Deferred revenue	2,806	2,094	-	-
	10,287	6,815	206	181

23. SHARE CAPITAL

	Group and Company			
	2023		2022	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
Issued and fully paid ordinary shares				
At 1 January	1,322,554	25,119	1,320,109	24,505
Ordinary shares issued upon vesting of performance shares	2,965	692	2,445	614
At 31 December	1,325,519	25,811	1,322,554	25,119

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.

24. 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)).

25. 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.

26. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. 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 2023 and 2022:

	Group	
	2023 S\$'000	2022 S\$'000
Lease payments to directors and director-related companies	1,128	1,128
Lease payments to non-controlling shareholder	223	165
Service fees paid to non-controlling shareholder	–	44
Service fees paid to director-related companies	–	9
Payments made on behalf by non-controlling shareholder	1	–
Consultancy services rendered to associate	66	275

(b) Compensation of key management personnel

	Group	
	2023 S\$'000	2022 S\$'000
Short-term employee benefits	7,954	7,960
Directors' fees – directors of the Company and subsidiaries	500	500
Central Provident Fund contributions	75	74
Share-based payments expense	79	61
	8,608	8,595
Comprised amounts paid/payable to:		
– Directors of the Company	6,330	6,329
– Other key management personnel	2,278	2,266
	8,608	8,595

28. 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 and liquidity 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.

NOTES TO THE FINANCIAL STATEMENTS

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

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 an 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 2023

28. 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;
- There is 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 2023 and 2022 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 2023

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

(a) Credit risk (cont'd)

(ii) Loans to a subsidiary and a joint venture at amortised cost

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

A summary of the Group's and the Company's internal grading category in the computation of the Group's and 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

(a) Credit risk (cont'd)

(ii) Loans to a subsidiary and a joint venture 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:

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Loans to a subsidiary	-	-	-	-
Loan to a joint venture	-	306	-	-

With respect to the above loans, the Group and the Company assessed that there was a significant increase in credit risk and a high risk of default by the subsidiary and joint venture. Accordingly, these intercompany loans are categorised under Grade III. Information relating to the allowance for impairment loss is disclosed in Notes 14(a), 15(a) and 19 to the financial statements.

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 in the statement of financial position.

Credit risk concentration profile

The Group has one (2022: one) major trade debtor who is based in Singapore. At the end of the reporting period, approximately 95% (2022: 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 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. 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 liabilities by remaining contractual maturities

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

	2023			Total S\$'000
	One year or less S\$'000	One to five years S\$'000	More than five years S\$'000	
Group				
Financial liabilities				
Trade and other payables (net of GST payable)	2,460	–	–	2,460
Accrued operating expenses	7,454	–	–	7,454
Lease liabilities	2,095	3,064	375	5,534
Loans from non-controlling shareholder to a subsidiary	2,800	1,800	–	4,600
Total undiscounted financial liabilities	14,809	4,864	375	20,048

	2022			Total S\$'000
	One year or less S\$'000	One to five years S\$'000	More than five years S\$'000	
Group				
Financial liabilities				
Trade and other payables (net of GST payable)	1,506	–	–	1,506
Accrued operating expenses	4,684	–	–	4,684
Lease liabilities	1,995	2,212	644	4,851
Loan from non-controlling shareholder to a subsidiary	–	2,800	–	2,800
Total undiscounted financial liabilities	8,185	5,012	644	13,841

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

(b) Liquidity risk (cont'd)

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

	2023		2022	
	One year or less S\$'000	Total S\$'000	One year or less S\$'000	Total S\$'000
Company				
Financial liabilities				
Trade and other payables	3,538	3,538	66	66
Accrued operating expenses	206	206	181	181
Total undiscounted financial liabilities	3,744	3,744	247	247

(c) Fair value of assets and liabilities

(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.

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

(c) Fair value of assets and liabilities (cont'd)

(ii) 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:

	Note	Group			Carrying amount S\$'000
		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	
2023					
<u>Non-financial assets:</u>					
Property, plant and equipment	11	-	-	3,900	3,869
<u>Financial assets carried at amortised cost:</u>					
Loan to a joint venture	19	-	-	509*	-
<u>Financial liabilities carried at amortised cost:</u>					
Loans from non-controlling shareholder to a subsidiary	21	-	-	4,226	4,190

* Fair value is computed based on the principal amount before impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

(c) Fair value of assets and liabilities (cont'd)

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

		Group				
		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	
Note						
2022						
<u>Non-financial assets:</u>						
	Property, plant and equipment	11	–	4,012	–	4,007
<u>Financial assets carried at amortised cost:</u>						
	Loan to a joint venture	19	–	–	506*	306
<u>Financial liabilities carried at amortised cost:</u>						
	Loan from non-controlling shareholder to a subsidiary	21	–	–	2,688	2,682

* Fair value is computed based on the principal amount before impairment.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

(c) Fair value of assets and liabilities (cont'd)

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

		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	
Note						
2023						
<u>Non-financial assets:</u>						
	Investment property	13	–	–	3,900	3,869
<u>Financial assets carried at amortised cost:</u>						
	Loans to a subsidiary	19	–	–	6,323*	–
2022						
<u>Non-financial assets:</u>						
	Investment property	13	–	4,012	–	4,007
<u>Financial assets carried at amortised cost:</u>						
	Loan to a subsidiary	19	–	–	4,025*	–

* Fair value is computed based on the principal amount before impairment.

Property, plant and equipment/Investment property

As at 31 December 2022, the valuation of property, plant and equipment/investment property was determined based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

NOTES TO THE FINANCIAL STATEMENTS

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

(c) Fair value of assets and liabilities (cont'd)

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

Property, plant and equipment/Investment property (cont'd)

As at 31 December 2023, the fair value of the property, plant and equipment/investment property was based on the valuation performed by Savills Valuation and Professional Services (S) Pte Ltd, an accredited independent valuer. The valuation techniques and key inputs used were as follows:

Description	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Property, plant and equipment/Investment property	Direct comparison method	Yield adjustments*	-5% to 5% (2022: Nil)	The higher the storey of the unit, the lower the valuation.

* Yield adjustments are made for any difference in storey of the specific property

Loans to a subsidiary and a joint venture and loans from non-controlling shareholder to a subsidiary

The fair value of the loans to a subsidiary and a joint venture and loans from non-controlling shareholder to a subsidiary 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.

(iii) *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 28(c)(ii), 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 2023

29. 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 2023 and 2022.

30. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two 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, Hong Kong Integrated Oncology Centre Holdings Limited and in 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) **Cellular and gene therapy related products and services**

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. SEGMENT INFORMATION (CONT'D)

	Group		
	Oncology services S\$'000	Cellular and gene therapy related products and services S\$'000	Per consolidated financial statements S\$'000
2023			
Revenue			
External customers, representing total revenue	81,031	2,761	83,792
Results			
Government grants	103	65	168
Interest income	2,613	–	2,613
Employee benefits expense	30,170	3,609	33,779
Share-based payments expense	548	–	548
Depreciation of right-of-use assets	1,770	357	2,127
Depreciation of property, plant and equipment	579	82	661
Finance costs on lease liabilities	164	50	214
Finance costs on unwinding of discount adjustment of loans to a subsidiary	–	142	142
Impairment loss on property, plant and equipment	–	993	993
Impairment loss on loan and investment securities	978	–	978
Share of results of associate	(65)	–	(65)
Share of results of joint ventures	1,570	–	1,570
Income tax expense	8,463	–	8,463
Segment profit/(loss)	36,202	(6,849)	29,353
Assets			
Investment in associate	1,975	–	1,975
Investment in joint ventures	830	–	830
Segment assets	108,716	4,265	112,981
Total assets	111,521	4,265	115,786
Liabilities			
Segment liabilities	21,623	10,105	31,728

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. SEGMENT INFORMATION (CONT'D)

	Group		
	Oncology services S\$'000	Cellular and gene therapy related products and services S\$'000	Per consolidated financial statements S\$'000
2022			
Revenue			
External customers, representing total revenue	73,363	3,237	76,600
Results			
Government grants	181	102	283
Interest income	883	–	883
Employee benefits expense	26,208	3,228	29,436
Share-based payments expense	499	–	499
Depreciation of right-of-use assets	1,770	257	2,027
Depreciation of property, plant and equipment	502	14	516
Finance costs on lease liabilities	196	15	211
Finance costs on unwinding of discount adjustment of loan to a subsidiary	–	135	135
Impairment loss on loan and investment securities	640	–	640
Share of results of associate	332	–	332
Share of results of joint ventures	1,923	–	1,923
Income tax expense	7,856	–	7,856
Segment profit/(loss)	32,678	(3,687)	28,991
Assets			
Investment in associate	1,910	–	1,910
Investment in joint ventures	1,786	–	1,786
Investment securities held for sale	653	–	653
Segment assets	101,543	3,274	104,817
Total assets	105,892	3,274	109,166
Liabilities			
Segment liabilities	19,005	5,612	24,617

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. 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	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Singapore	78,801	72,630	4,993	7,293
China and Hong Kong	2,155	662	4,668	2,789
Vietnam	82	71	–	–
Australia	1,200	2,563	–	–
India	–	417	–	–
United States of America	549	257	–	–
New Zealand	1,005	–	–	–
	83,792	76,600	9,661	10,082

Non-current assets information presented above consists of property, plant and equipment, and right-of-use assets 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\$78,631,000 (2022: S\$72,619,000) and arose from the provision of oncology (2022: oncology) services.

31. DIVIDENDS

	Group and Company	
	2023	2022
	S\$'000	S\$'000
Declared and paid during the year:		
<i>Dividends on ordinary shares:</i>		
– Final exempt (one-tier) dividend for 2022: 1.50 cents (2021: 0.90 cents) per share	19,867²	11,898 ³
– First interim exempt (one-tier) dividend for 2023: 0.90 cents (2022: 1.50 cents) per share	11,920	19,831
	31,787	31,729
Proposed dividends to the Company's shareholders but not recognised as a liability as at 31 December:		
– Final exempt (one-tier) dividend for 2023: 1.30 cents (2022: 1.50 cents) per share	17,247¹	19,867 ²

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. DIVIDENDS (CONT'D)

- ¹ 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 2023) were S\$17,247,000 and S\$17,232,000 respectively. The difference of S\$15,000 between the proposed final dividend as disclosed in the full year announcement for 2023 and the proposed final dividend to be paid to shareholders for 2023 arose due to the dividends to be paid on 1,145,032 ordinary shares issued on 13 March 2024. 1,145,032 ordinary shares have been allotted and issued on 13 March 2024 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 10 May 2024.
- ² The final dividend paid to shareholders and the proposed final dividend (as previously disclosed in the full year announcement for the year ended 31 December 2022) were S\$19,867,000 and S\$19,838,000 respectively. The difference of approximately S\$29,000 between the final dividend paid and the proposed final dividend to be paid to shareholders for 2022 arose due to the dividends paid on 1,945,210 ordinary shares issued on 13 March 2023. 1,945,210 ordinary shares were allotted and issued on 13 March 2023 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 2023.
- ³ The final dividend paid to shareholders and the proposed final dividend (as previously disclosed in the full year announcement for the financial year ended 31 December 2021) were S\$11,898,000 and S\$11,881,000 respectively. The difference of approximately S\$17,000 between the final dividend paid and the proposed final dividend to be paid to shareholders for 2021 arose due to the dividends paid on 1,945,209 ordinary shares issued on 14 March 2022. 1,945,209 ordinary shares were 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 were eligible for the final dividend which was paid on 11 May 2022.

32. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

In March 2024, the Company allotted and issued 1,145,032 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 1,325,519,163 to 1,326,664,195.

(b) *Additional investment in TalkMed Greater China Pte. Ltd. ("TMGC")*

In March 2024, the Company made an additional capital injection of S\$800,000 in TMGC for the purpose of funding the operations of TalkMed Shanshui Medical Centre.

(c) *Third party application to add the Company as a party to legal proceedings*

In October 2021, the Company disposed of its entire 55.2% stake in Stem Med Pte. Ltd. ("Stem Med") to Edge Capital Fund SP2 Pte. Ltd. ("ECF") (the "Divestment") following which Stem Med ceased to be a subsidiary of the Company. The other vendors in the Divestment were Dr Leong See Odd ("Dr Leong"), Dr Teo Cheng Peng ("Dr Teo") and StemCord Pte Ltd ("StemCord") (together with the Company, the "Vendors").

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

(c) *Third party application to add the Company as a party to legal proceedings (cont'd)*

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

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

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

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

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

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

As at the date of this report, the potential financial impact of the 3P Counterclaims, if any, cannot be quantified at this stage as ECF has not specified the amount that they are seeking in unliquidated damages.

33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of directors on 1 April 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2024

ISSUED AND FULLY PAID UP CAPITAL	:	S\$27,106,446
NO. OF SHARES ISSUED	:	1,326,664,195
NO. OF SHARES ISSUED (excluding Treasury Shares and Subsidiary Holdings ⁽¹⁾)	:	1,326,664,195
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	66	7.47	42,300	0.00
1,001 – 10,000	344	38.91	2,228,200	0.17
10,001 – 1,000,000	452	51.13	32,198,455	2.43
1,000,001 and above	22	2.49	1,292,195,240	97.40
TOTAL	884	100.00	1,326,664,195	100.00

TOP TWENTY SHAREHOLDERS AS AT 14 MARCH 2024

	NO. OF SHARES	%
CITIBANK NOMINEES SINGAPORE PTE LTD	960,068,500	72.37
UOB KAY HIAN PTE LTD	97,630,200	7.36
DBS NOMINEES PTE LTD	82,870,938	6.25
DR LIM HONG LIANG	47,472,000	3.58
RAFFLES NOMINEES (PTE.) LIMITED	42,009,300	3.17
HSBC (SINGAPORE) NOMINEES PTE LTD	30,031,100	2.26
DR SEE HUI TI	6,287,593	0.48
LIM BEE KOK	4,939,000	0.37
DR QUEK HONG HUI RICHARD	2,163,951	0.16
LAI JASON JUSTIN	2,020,000	0.15
DR ZEE YING KIAT (XU YINGJIE)	1,958,773	0.15
CHAN JIN HOE	1,600,000	0.12
FOO MEI PING	1,500,000	0.11
NG LIN CHIEH KELVIN	1,500,000	0.11
TAN YII HSIEN BARNABAS (CHEN YUXIAN BARNABAS)	1,500,000	0.11
DR COLIN PHIPPS DIONG	1,477,490	0.11
SNG SU YING MARIAN	1,390,000	0.11
THING YONGXIAN (TANG YONGXIAN)	1,262,800	0.10
DR WONG CHIUNG ING	1,217,216	0.09
DR KOK JAAN YANG	1,118,079	0.08
	1,290,016,940	97.24

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2024

SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST		TOTAL	
	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%
LADYHILL HOLDINGS PTE. LTD. ⁽¹⁾	–	–	858,912,000	64.74	858,912,000	64.74
DR KHOO KEI SIONG ⁽²⁾	–	–	99,360,000	7.49	99,360,000	7.49
DR TEO CHENG PENG ⁽³⁾	–	–	98,256,000	7.41	98,256,000	7.41
DR ANG PENG TIAM ⁽⁴⁾	–	–	858,912,000	64.74	858,912,000	64.74
MDM CHUA SIOK LIN ⁽⁴⁾	–	–	858,912,000	64.74	858,912,000	64.74

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, 20,000,000 shares, and 69,360,000 shares of the Company held through Raffles Nominees (Pte.) Limited, HSBC (Singapore) Nominees Pte Ltd and DBS Nominees Pte Ltd respectively.
- (3) Dr Teo Cheng Peng is deemed interested in the 98,256,000 shares of the Company held through Citibank Nominees Singapore Pte Ltd.
- (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 14 March 2024, approximately 16.20% 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 Listing Manual issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting (“**AGM**”) of TalkMed Group Limited will be held at Function Room 503 – 504, RELC International Hotel, 30 Orange Grove Road, Singapore 258352, on Thursday, 18 April 2024 at 6:00 p.m., for the following purposes:

AS ORDINARY BUSINESS

- 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 2023, together with the Auditor’s Report thereon.
(Resolution 1)
- To declare a final one-tier tax-exempt dividend of 1.30 Singapore cents per ordinary share in respect of the financial year ended 31 December 2023.
(Resolution 2)
- To approve the payment of Directors’ fees of S\$510,000 for the financial year ending 31 December 2024 to be paid quarterly in arrears (2023: S\$500,000).
(Resolution 3)
- 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)**

Mr Sitoh Yih Pin
[Please see Explanatory Note (ii)] **(Resolution 5)**

Prof Leong Ching Ching
[Please see Explanatory Note (iii)] **(Resolution 6)**
- To re-elect the following Directors who retire pursuant to Regulation 97 of the Company’s Constitution, and who, being eligible, offer themselves for re-election:

Mr Lam Kok Shang
[Please see Explanatory Note (iv)] **(Resolution 7)**

Dr Tan Khai Tong
[Please see Explanatory Note (v)] **(Resolution 8)**

Mr Peter Sim Swee Yam
[Please see Explanatory Note (vi)] **(Resolution 9)**
- 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)
- To transact any other ordinary business which may properly be transacted at an AGM.

NOTICE OF ELEVENTH 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:

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

That pursuant to Section 161 of the Singapore 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);

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

- (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 subparagraph (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 Manual of the SGX-ST; and
 - (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 Manual 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 Manual 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 for the time being in force; 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 (vii)]

(Resolution 11)

BY ORDER OF THE BOARD

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

Singapore, 3 April 2024

NOTICE OF ELEVENTH 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" 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 Mr Sitoh Yih Pin, 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" of the Annual Report. Mr Sitoh Yih Pin will, upon re-election as Director of the Company, remain as a Non-Executive Director and a member of the Audit and Risk Committee. Mr Sitoh Yih Pin was re-designated as a Non-Executive Director on 1 January 2024, having served on the Board for an aggregate period of more than 9 years, and will not be considered independent after the conclusion of this AGM pursuant to Rule 210(5)(d)(iv) and Rule 704(8) of the Listing Manual of the SGX-ST.
- (iii) Key information on Prof Leong Ching Ching, 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" of the Annual Report. Prof Leong Ching Ching will, upon re-election as Director of the Company, remain as an Independent Director and Chairman of the Remuneration Committee of the Company. There are no relationships (including immediate family relationships) between Prof Leong Ching Ching and the other Directors, the Company or its substantial shareholders.
- (iv) Key information on Mr Lam Kok Shang, who is seeking re-election as a Director of the Company under Ordinary Resolution 7, is found under the sections headed "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report. Mr Lam Kok Shang will, upon re-election as Director of the Company, remain as an Independent Director, Chairman of the Audit and Risk Committee, and a member of the Nominating Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Lam Kok Shang and the other Directors, the Company or its substantial shareholders.
- (v) Key information on Dr Tan Khai Tong, who is seeking re-election as a Director of the Company under Ordinary Resolution 8, is found under the sections headed "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report. Dr Tan Khai Tong will, upon re-election as Director of the Company, remain as an Independent Director and a member of the Remuneration Committee of the Company. There are no relationships (including immediate family relationships) between Dr Tan Khai Tong and the other Directors, the Company or its substantial shareholders.
- (vi) Key information on Mr Peter Sim Swee Yam, 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" of the Annual Report. Mr Peter Sim Swee Yam will, upon re-election as Director of the Company, remain as an Independent Director, Chairman of the Nominating Committee and a member of the Audit and Risk Committee of the Company, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Peter Sim Swee Yam and the other Directors, the Company or its substantial shareholders.
- (vii) 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.

Notes:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for Shareholders to participate virtually. Printed copies of this Notice and Proxy Form will be sent to members. This Notice and Proxy Form 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.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

* Pursuant to Section 181 of the Singapore 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.

3. A proxy need not be a member of the Company.

Where a member (whether individual or corporate) appoints a proxy or proxies 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 a proxy or proxies 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 2024.

4. The instrument appointing a proxy or proxies 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.

5. The 2023 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>. In line with the Company's environmental sustainability efforts, printed copies of the 2023 Annual Report will not be sent to members. Members who wish to receive a printed copy of the 2023 Annual Report will need to complete and submit a Request Form (which can be found in the letter to Shareholders dated 3 April 2024) to the Company by 10 April 2024. The printed copies of the letter to Shareholders dated 3 April 2024 (enclosing the Request Form) will be sent to members together with the Notice of AGM and Proxy Form. The letter to Shareholders dated 3 April 2024 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>.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies (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 a proxy or proxies 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 a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents and service providers) for the purpose of the processing, administration and analysis by the Company (or its agents and service providers) of the proxies and representatives appointed 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 and service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents and service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents and service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking Re-election pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST")

Dr Ang Peng Tiam, Mr Sitoh Yih Pin, Prof Leong Ching Ching, Mr Lam Kok Shang, Dr Tan Khai Tong and Mr Peter Sim Swee Yam are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 18 April 2024 ("AGM") under Ordinary Resolutions 4 to 9 as set out in the Notice of AGM dated 3 April 2024.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the additional information relating to the Directors seeking re-election as required under Appendix 7.4.1 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 38 to 58, respectively of this Annual Report:

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
Country of principal residence	Singapore	Singapore	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 Mr Sitoh 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 Prof Leong is able to exercise independent judgement, provide valuable contributions to the Board and will also fulfil the Company's gender diversity requirement.	The Board considered the recommendation of the Nominating Committee (with Mr Lam abstaining from the decision-making process), and is satisfied that Mr Lam is able to exercise independent judgement, provide valuable contributions to the Board and will also add to its diversity.	The Board considered the recommendation of the Nominating Committee, and is satisfied that Dr Tan is able to exercise independent judgement, provide valuable contributions to the Board and will also add to its diversity.	The Board considered the recommendation of the Nominating Committee (with Mr Sim abstaining from the decision-making process), and is satisfied that Mr Sim is able to exercise independent judgement, provide valuable contributions to the Board and will also add to its diversity.
Whether appointment is executive, and if so, the area of responsibility	Executive, Dr Ang provides the vision and the strategic direction for our Group	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer, Member of Nominating Committee	Non-Executive Director, Member of the Audit and Risk Committee	Independent Non-Executive Director, Chairperson of the Remuneration Committee	Independent Non-Executive Director, Chairman of the Audit and Risk Committee and a member of the Nominating Committee	Independent Non-Executive Director, Member of the Remuneration Committee	Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit and Risk Committee
Working experience and occupation(s) during the past 10 years	Medical Director and Senior Consultant of Parkway Cancer Centre at Mount Elizabeth 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 (“NUS”) 2019 – Present Associate Professor Lee Kuan Yew School of Public Policy, NUS 2017 – 2019 Co-Director Institute of Water Policy, NUS 2015 – 2019 Assistant Professor Lee Kuan Yew School of Public Policy, NUS 2014 Senior Research Fellow Lee Kuan Yew School of Public Policy, NUS	2008 – Present Lecturer (part-time) Singapore Tax Academy 2000 – 2022 Partner KPMG Advisory LLP 2010 – Present Member of GST Committee Singapore Institute of Accredited Tax Professionals	Consultant Endocrinologist, The Diabetes & Endocrine Clinic, Mount Elizabeth Medical Centre	2009 – Present Lawyer/Director/Shareholder , Sim Law Practice LLC

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
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	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	No	Dr Tan has a direct interest of 60,000 ordinary shares in the Company	No
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	None	None
Conflict of interests (including any competing business)	No	No	No	No	No	No
Undertaking (in the format set out in Appendix 7.7 under Rule 702(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
Other Principal Commitments Including Directorships						
Past (for the last 5 years)	Stem Med Pte. Ltd.	<ul style="list-style-type: none"> – Yeo Hiap Seng Limited (Listed on SGX) – ISEC Healthcare Ltd (Listed on SGX) – PAP Community Foundation – CLA Global TS Public Accounting Corporation 	None	KPMG Advisory LLP	National Healthcare Group	<ul style="list-style-type: none"> – Marco Polo Marine Pte Ltd – Mun Siong Engineering Ltd (Listed on SGX) – Haw Par Corporation Ltd (Listed on SGX) – Singapore Reinsurance Corporation Ltd (Delisted from SGX on 5 Aug 2021) – Singapore Heart Foundation
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 14 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 13 of this Annual Report	Please refer to the information set out under "Board of Directors" on page 13 of this Annual Report	Please refer to the information set out under "Board of Directors" on page 12 of this Annual Report
INFORMATION REQUIRED PURSUANT TO RULE 704(7) OF THE LISTING MANUAL						
(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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
<p>(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?</p>	No	No	No	No	No	No
<p>(c) Whether there is any unsatisfied judgement against him?</p>	No	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
(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	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
(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	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
(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	No	No
(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	No	No
(ii) 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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
(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	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	No	No
(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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DETAILS	Dr Ang Peng Tiam	Mr Sitoh Yih Pin	Prof Leong Ching Ching	Mr Lam Kok Shang	Dr Tan Khai Tong	Mr Peter Sim Swee Yam
(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	No	No

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:

1. A relevant intermediary may appoint more than two (2) proxies to attend the Annual General Meeting and vote (please see Note 3).
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPF and 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 2024.

I/We, _____ (Name) _____ (NRIC/Passport number)

of _____ (Address)

being a member/members of TALKMED GROUP LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held at Function Room 503 – 504, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on Thursday, 18 April 2024 at 6.00 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or abstain from voting on, the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

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 2023, together with the Auditor's Report thereon			
2.	Approval of final one-tier tax-exempt dividend of 1.30 Singapore cents per ordinary share in respect of the financial year ended 31 December 2023			
3.	Approval of Directors' fees of S\$510,000 for the financial year ending 31 December 2024 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 Mr Sitoh Yih Pin as a Director of the Company pursuant to Regulation 91 of the Company's Constitution			
6.	Re-election of Prof Leong Ching Ching as a Director of the Company pursuant to Regulation 91 of the Company's Constitution			
7.	Re-election of Mr Lam Kok Shang as a Director of the Company pursuant to Regulation 97 of the Company's Constitution			
8.	Re-election of Dr Tan Khai Tong as a Director of the Company pursuant to Regulation 97 of the Company's Constitution			
9.	Re-election of Mr Peter Sim Swee Yam 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. In respect of any resolution, if you wish to exercise all your votes "**For**", "**Against**" or "**Abstain**", please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate within the relevant box.

Dated this _____ day of _____, 2024

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 a proxy or proxies, 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 proxy for that resolution will be treated as invalid.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

Pursuant to Section 181 of the Singapore 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.

Fold along this line

**Affix
Postage
Stamp
Here**

The Company Secretary
TALKMED GROUP LIMITED
101 Thomson Road
#09-02 United Square
Singapore 307591

Fold along this line

4. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
5. A proxy need not be a member of the Company.
6. The instrument appointing a proxy or proxies 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.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies (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 a proxy or proxies 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 a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 April 2024.

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101 Thomson Road
#09-02 United Square
Singapore 307591