



ENTRY BY TALKMED CHINA PTE. LTD. AND BEIJING NEW HOPE HOSPITAL MANAGEMENT CO. LTD. INTO MANAGEMENT SERVICES AGREEMENT AND LICENCE AGREEMENT IN RELATION TO THE SINGAPORE CANCER CENTRE BRANDED ONCOLOGY SERVICES IN THE PEOPLE'S REPUBLIC OF CHINA

The Board of Directors (the “**Board**” or “**Directors**”) of TalkMed Group Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) is pleased to announce that the Company’s wholly-owned subsidiary, TalkMed China Pte. Ltd. (“**TMC**”) had on 9 November 2017 entered into a Management Services Agreement (“**MSA**”) and a Licence Agreement (“**LA**”) with Beijing New Hope Hospital Management Co. Ltd. (北京新远望医院管理有限公司) (“**BNH**”) for TMC to offer management services for the “Singapore Cancer Centre” branded oncology services in the People’s Republic of China (“**PRC**”).

In line with the Group’s plans to expand its operations in the region, the MSA and LA will introduce the “Singapore Cancer Centre” brand to the PRC and allow the Group to capitalise on the potential demand for quality Singapore medical oncology services in the PRC market.

MSA

Under the MSA, which is valid for a three (3) year term, it is envisaged that TMC shall,

- i) have an advisory and supervisory responsibility for the general management of the Singapore Cancer Centre clinic at Beijing Parkway Jingshun Hospital located at the Chaoyang District of Beijing, PRC (the “**Clinic**”);
- ii) be paid a management fee equivalent to four percent (4%) of the Clinic’s earnings before interest, tax, depreciation and amortisation, for the services provided under the MSA;
- iii) have an exclusive right for the provision of any management services relating to oncology medical services, which may be set up by BNH and/or its subsidiaries and/or associate(s) in Beijing and/or Shanghai (as the case may be); and
- iv) have an investment right upon the expiry of the second anniversary from the date of the MSA to acquire 30 percent (30%) of the equity interest in BNH at the higher of eight (8) times of the trailing 12 months profit after tax, less net debt and minority interests or RMB 3 million (the “**Investment Right**”) and such Investment Right shall end at the end of the third year from the date of the MSA.

LA

Under the LA, which is valid for a three (3) year term, it is envisaged that TMC shall,

- i) grant BNH a non-exclusive, non-transferable and non-assignable right to utilise the “Singapore Cancer Centre” service mark at its Clinic; and
- ii) shall be paid a licence fee equivalent to one and a half percent (1.5%) of the net revenue of the Clinic.

About BNH

BNH is established by a group of top oncologists in the PRC that aims to provide quality and comprehensive cancer care in the PRC. It plans to expand its footprint to Shenzhen by 2018 and thereafter to other provinces in the PRC.

Financial effects of the entry into the MSA and LA

The Group's entry into the MSA and LA is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2017.

None of the Directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the entry into the MSA or the LA with BNH, other than through their respective shareholdings in the Company.

By Order of the Board

Ang Peng Tiam
Chief Executive Officer
16 November 2017

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

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