



TALKMED GROUP LIMITED
(Company Registration No. 201324565Z)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	6 months ended 30 June 2024 ("1H 2024") \$'000 (Unaudited)	6 months ended 30 June 2023 ("1H 2023") \$'000 (Unaudited)	Increase / (Decrease) %
The Group				
Revenue	4	33,119	37,795	(12.4%)
Other items of income				
Interest income		917	991	(7.5%)
Other income		224	103	117.5%
Other items of expense				
Employee benefits expense		(16,916)	(15,316)	10.4%
Share-based payments expense		(327)	(274)	19.3%
Operating lease expense		(26)	(34)	(23.5%)
Depreciation of right-of-use assets		(1,081)	(1,049)	3.1%
Depreciation of property, plant and equipment		(298)	(317)	(6.0%)
Finance costs		(152)	(157)	(3.2%)
Other operating expenses		(3,897)	(3,872)	0.6%
Impairment loss on loan and investment securities		(10)	(454)	(97.8%)
Share of profits/ (losses) of associate		177	(18)	(1,083.3%)
Share of losses of joint ventures		(683)	(985)	(30.7%)
Profit before tax	6	11,047	16,413	(32.7%)
Income tax expense	7	(2,438)	(3,924)	(37.9%)
Profit for the period		8,609	12,489	(31.1%)

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

The Group	1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)	Increase / (Decrease) %
Attributable to:			
Owners of the Company	9,805	14,272	(31.3%)
Non-controlling interests	(1,196)	(1,783)	(32.9%)
	8,609	12,489	(31.1%)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	2	(52)	(103.8%)
Other comprehensive income for the period, net of tax	2	(52)	(103.8%)
Total comprehensive income for the period	8,611	12,437	(30.8%)
Attributable to:			
Owners of the Company	9,807	14,220	(31.0%)
Non-controlling interests	(1,196)	(1,783)	(32.9%)
Total comprehensive income for the period	8,611	12,437	(30.8%)

B. Condensed interim statements of financial position

	Note	Group		Company	
		30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)	30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	11	5,066	4,994	–	–
Right-of-use assets		3,633	4,667	–	–
Investment property	14	–	–	3,802	3,869
Investment in subsidiaries	12	–	–	18,666	17,570
Investment in joint ventures	15	147	830	–	–
Investment in associate		2,152	1,975	11,399	11,399
Loan to a joint venture	15	–	–	–	–
Trade receivables		198	222	–	–
		<u>11,196</u>	<u>12,688</u>	<u>33,867</u>	<u>32,838</u>
Current assets					
Inventories		1,277	1,424	–	–
Prepaid operating expenses		252	335	24	10
Trade and other receivables		5,497	11,443	30,791	300
Cash and short-term deposits		85,669	89,896	31,990	78,810
		<u>92,695</u>	<u>103,098</u>	<u>62,805</u>	<u>79,120</u>
Total assets		<u>103,891</u>	<u>115,786</u>	<u>96,672</u>	<u>111,958</u>
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables		4,416	3,806	5,084	3,538
Other liabilities		8,871	10,287	169	206
Lease liabilities		1,294	1,927	–	–
Income tax payable		6,665	8,458	151	301
Loan from non-controlling shareholder to a subsidiary		2,800	2,800	–	–
		<u>24,046</u>	<u>27,278</u>	<u>5,404</u>	<u>4,045</u>
Net current assets		<u>68,649</u>	<u>75,820</u>	<u>57,401</u>	<u>75,075</u>
Non-current liabilities					
Lease liabilities		2,667	3,060	–	–
Loans from non-controlling shareholder to a subsidiary		1,429	1,390	–	–
		<u>4,096</u>	<u>4,450</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>28,142</u>	<u>31,728</u>	<u>5,404</u>	<u>4,045</u>
Net assets		<u>75,749</u>	<u>84,058</u>	<u>91,268</u>	<u>107,913</u>

B. Condensed interim statements of financial position (cont'd)

	Note	Group		Company	
		30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)	30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)
Equity attributable to owners of the Company					
Share capital	13	26,037	25,811	26,037	25,811
Merger reserve		(2,311)	(2,311)	–	–
Share-based payments reserve		7	526	7	526
Other reserve		2,807	2,807	–	–
Foreign currency translation reserve		415	413	–	–
Retained earnings		56,020	62,873	65,224	81,576
		82,975	90,119	91,268	107,913
Non-controlling interests		(7,226)	(6,061)	–	–
Total equity		75,749	84,058	91,268	107,913
Total equity and liabilities		103,891	115,786	96,672	111,958

C. Condensed interim statements of changes in equity

The Group (Unaudited)	Note	Attributable to owners of the Company							Total equity \$'000
		Share capital \$'000	Merger reserve \$'000	Share- based payments reserve \$'000	Other reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Non- controlling interests \$'000	
Balance at 1 January 2024		25,811	(2,311)	526	2,807	413	62,873	(6,061)	84,058
Profit for the period		–	–	–	–	–	9,805	(1,196)	8,609
<u>Other comprehensive income</u>									
Foreign currency translation		–	–	–	–	2	–	–	2
Other comprehensive income for the period, net of tax		–	–	–	–	2	–	–	2
Total comprehensive income for the period		–	–	–	–	2	9,805	(1,196)	8,611
<u>Distributions to and contributions by owners</u>									
Dividends	8	–	–	–	–	–	(17,247)	–	(17,247)
Share-based payments		–	–	296	–	–	–	31	327
Lapsed employee share options		–	–	(589)	–	–	589	–	–
Ordinary shares issued upon vesting of performance shares	13	226	–	(226)	–	–	–	–	–
Balance at 30 June 2024		26,037	(2,311)	7	2,807	415	56,020	(7,226)	75,749

C. Condensed interim statements of changes in equity (cont'd)

The Group (Unaudited)	Note	Attributable to owners of the Company							Total equity \$'000
		Share capital \$'000	Merger reserve \$'000	Share- based payments reserve \$'000	Other reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Non- controlling interests \$'000	
Balance at 1 January 2023		25,119	(2,311)	930	2,807	(148)	62,317	(4,165)	84,549
Profit for the period		–	–	–	–	–	14,272	(1,783)	12,489
<u>Other comprehensive income</u>									
Foreign currency translation		–	–	–	–	(52)	–	–	(52)
Other comprehensive income for the period, net of tax		–	–	–	–	(52)	–	–	(52)
Total comprehensive income for the period		–	–	–	–	(52)	14,272	(1,783)	12,437
<u>Distributions to and contributions by owners</u>									
Dividends	8	–	–	–	–	–	(19,867)	–	(19,867)
Share-based payments		–	–	239	–	–	–	35	274
Lapsed employee share options		–	–	(167)	–	–	167	–	–
Ordinary shares issued upon vesting of performance shares		453	–	(453)	–	–	–	–	–
Balance at 30 June 2023		25,572	(2,311)	549	2,807	(200)	56,889	(5,913)	77,393

C. Condensed interim statements of changes in equity (cont'd)

The Company (Unaudited)	Note	Attributable to owners of the Company			
		Share capital \$'000	Share-based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2024		25,811	526	81,576	107,913
Profit for the period, representing total comprehensive income for the period		–	–	306	306
<u>Distributions to and contributions by owners</u>					
Dividends	8	–	–	(17,247)	(17,247)
Share-based payments		–	296	–	296
Ordinary shares issued upon vesting of performance shares	13	226	(226)	–	–
Lapsed employee share options		–	(589)	589	–
Balance at 30 June 2024		26,037	7	65,224	91,268
Balance at 1 January 2023		25,119	930	32,012	58,061
Profit for the period, representing total comprehensive income for the period		–	–	59,532	59,532
<u>Distributions to and contributions by owners</u>					
Dividends	8	–	–	(19,867)	(19,867)
Share-based payments		–	239	–	239
Ordinary shares issued upon vesting of performance shares		453	(453)	–	–
Lapsed employee share options		–	(167)	167	–
Balance at 30 June 2023		25,572	549	71,844	97,965

D. Condensed interim consolidated statement of cash flows

The Group	Note	1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)
Operating Activities			
Profit before tax		11,047	16,413
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment		298	317
Depreciation of right-of-use assets		1,081	1,049
Share-based payments expense		327	274
Finance costs on unwinding of discount adjustment of loans to a subsidiary	6	39	59
Finance costs on lease liabilities	6	113	98
Interest income		(917)	(991)
Impairment loss on loan granted to a joint venture	15	10	315
Impairment loss on investment securities held for sale		–	139
Share of (profits)/ losses of associate		(177)	18
Share of losses of joint ventures		683	985
Currency re-alignment		(4)	(9)
Operating cash flows before changes in working capital		12,500	18,667
Changes in working capital			
Decrease in inventories		147	67
Decrease in prepaid operating expenses		83	133
Decrease in trade and other receivables		5,970	2,423
Increase in trade and other payables		610	1,671
(Decrease)/increase in other liabilities		(1,416)	1,947
Total changes in working capital		5,394	6,241
Cash flows generated from operations		17,894	24,908
Interest received		907	982
Interest paid on lease liabilities		(113)	(98)
Income tax paid		(4,231)	(3,927)
Net cash flows generated from operating activities		14,457	21,865
Investing Activities			
Purchase of plant and equipment	11	(364)	(451)
Net cash flows used in investing activities		(364)	(451)
Financing Activities			
Dividends paid on ordinary shares	8	(17,247)	(19,867)
Payment of principal portion of lease liabilities		(1,073)	(1,061)
Net cash flows used in financing activities		(18,320)	(20,928)
Net (decrease)/increase in cash and cash equivalents		(4,227)	486
Cash and cash equivalents at beginning of the period		89,896	80,588
Cash and cash equivalents at end of the period		85,669	81,074

E. Notes to the condensed interim consolidated financial statements

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:

- (a) 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;
- (b) Provision of specialised medical oncology services;
- (c) Provision of healthcare management services;
- (d) Provision of cellular and gene therapy related products and services;
- (e) Provision of services to establish internet hospitals and to operate internet pharmacies; and
- (f) Development of novel processing platforms for cell and gene therapy and carrying out research in genetic modification of immune cells.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 (“**1H 2024**”) comprise the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of preparation

The condensed interim financial statements for 1H 2024 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars (“**\$**”) which is the Company’s functional currency and all values are rounded to the nearest thousand (“**\$’000**”) as indicated.

2.1 Adoption of new and amended standards and interpretations by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on 1 January 2024. The adoption of these standards did not have any material effect on the financial statements of the Group.

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

There were no significant judgements made by management in applying the Group's accounting policies for the condensed interim financial statements. The key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue 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

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 patients in Beijing and Chongqing, the People's Republic of China, through TalkMed Shanshui Medical Centre ("**TSMC**") and Sino-Singapore Cancer Centre ("**SSCC**") respectively.

4. Segment and revenue information (cont'd)

Management fees

Revenue from management fees is derived from the billing of salaries, wages and employee benefits and rental of premises incurred by Singapore Cancer Centre Pte. Ltd. ("**SCC**") from the provision of its 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.

ii) Cellular and gene therapy related products and services

The provision of goods and services related to cellular and gene therapy is through its subsidiary, CellVec Pte. Ltd. ("**CellVec**") and BioCell Innovations Pte. Ltd. ("**BioCell**"). BioCell has commenced operations but has not recorded any revenue in 1H 2024. 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.

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Group		
	Oncology services \$'000 (Unaudited)	Cellular and gene therapy related products and services \$'000 (Unaudited)	Per consolidated financial statements \$'000 (Unaudited)
1 January to 30 June 2024			
Revenue			
External customers, representing total revenue	32,256	863	33,119
Results			
Government grants	48	173	221
Interest income	917	–	917
Employee benefits expense	14,847	2,069	16,916
Share-based payments expense	327	–	327
Depreciation of right-of-use assets	885	196	1,081
Depreciation of property, plant and equipment	292	6	298
Finance costs on lease liabilities	89	24	113
Finance costs on unwinding of discount adjustment of loans to a subsidiary	–	39	39
Impairment loss on loan	10	–	10
Share of profits of associate	177	–	177
Share of losses of joint ventures	683	–	683
Income tax expense	2,438	–	2,438
Segment profit/(loss)	11,539	(2,930)	8,609
Assets			
Investment in associate	2,152	–	2,152
Investment in joint ventures	147	–	147
Investment securities held for sale	–	–	–
Segment assets	98,421	3,171	101,592
Total assets	100,720	3,171	103,891
Liabilities			
Segment liabilities	18,458	9,684	28,142

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Group		
	Oncology services \$'000 (Unaudited)	Cellular and gene therapy related products and services \$'000 (Unaudited)	Per consolidated financial statements \$'000 (Unaudited)
1 January to 30 June 2023			
Revenue			
External customers, representing total revenue	37,478	317	37,795
Results			
Government grants	55	4	59
Interest income	991	–	991
Employee benefits expense	13,373	1,943	15,316
Share-based payments expense	274	–	274
Depreciation of right-of-use assets	885	164	1,049
Depreciation of property, plant and equipment	293	24	317
Finance costs on lease liabilities	75	23	98
Finance costs on unwinding of discount adjustment of loan to a subsidiary	–	59	59
Impairment loss	454	–	454
Share of losses of associate	18	–	18
Share of losses of joint ventures	985	–	985
Income tax expense	3,924	–	3,924
Segment profit/(loss)	16,858	(4,369)	12,489
Assets			
Investment in associate	1,892	–	1,892
Investment in joint ventures	801	–	801
Investment securities held for sale	514	–	514
Segment assets	97,069	5,500	102,569
Total assets	100,276	5,500	105,776
Liabilities			
Segment liabilities	18,284	10,099	28,383

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

The table below summarises information about the Group's revenues for 1H 2024 and 1H 2023 which are disaggregated by segments, geographical markets and the timing of transfer of goods or services (either at a point in time or over time).

	Group							
	Oncology services				Cellular and gene therapy related products and services		Total revenue	
	Consultancy services		Management fees		1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)	1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)
	1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)	1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)				
Primary geographical markets								
Singapore	21,162	26,591	9,752	10,063	61	–	30,975	36,654
China and Hong Kong	1,240	703	86	75	–	–	1,326	778
Vietnam	6	32	10	14	–	–	16	46
Australia	–	–	–	–	693	12	693	12
United States of America	–	–	–	–	109	305	109	305
	22,408	27,326	9,848	10,152	863	317	33,119	37,795
Timing of transfer of goods or services								
At a point in time	–	–	–	–	184	317	184	317
Over time	22,408	27,326	9,848	10,152	679	–	32,935	37,478
	22,408	27,326	9,848	10,152	863	317	33,119	37,795

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)	30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)
Financial assets				
Trade and other receivables (current)	5,497	11,443	30,791	300
Trade receivables (non-current)	198	222	–	–
Cash and short-term deposits	85,669	89,896	31,990	78,810
Less: GST receivable	(45)	(64)	–	–
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Total financial assets carried at amortised cost	91,319	101,497	62,781	79,110
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Financial liabilities				
Trade and other payables	4,416	3,806	5,084	3,538
Accrued operating expenses	6,267	7,454	169	206
Lease liabilities	3,961	4,987	–	–
Loans from non-controlling shareholder to a subsidiary	4,229	4,190	–	–
Less: GST payable	(1,327)	(1,346)	–	–
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Total financial liabilities carried at amortised cost	17,546	19,091	5,253	3,744
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6. Profit before tax

Related party transactions

(a) Sales and purchases of goods and services

In addition to the related party information disclosed elsewhere in this set of condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during 1H 2024 and 1H 2023:

	Group	
	1H 2024	1H 2023
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Lease payments to directors and director-related companies	616	564
Lease payments to non-controlling shareholder	121	83
Payments made on behalf by non-controlling shareholder	–	1
Consultancy services rendered to associate	–	88

(b) Compensation of key management personnel

	Group	
	1H 2024	1H 2023
	\$'000	\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	3,490	3,508
Directors' fees – directors of the Company and subsidiaries	255	250
Central Provident Fund contributions	34	35
Share-based payments expense	32	32
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	3,811	3,825
	<hr/>	<hr/>
Comprised amounts paid/payable to:		
- Directors of the Company	2,972	2,967
- Other key management personnel	839	858
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	3,811	3,825
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7. Taxation

The Group calculates the income tax expense for 1H 2024 and 1H 2023 using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)
Current income tax:		
- Current income taxation	2,437	3,924
- Under provision in respect of prior years	1	–
	2,438	3,924
Income tax expense recognised in profit or loss	2,438	3,924

8. Dividends

	Group and Company	
	1H 2024 \$'000 (Unaudited)	1H 2023 \$'000 (Unaudited)
Declared and paid:		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2023: 1.30 cents (2022: 1.50 cents) per share	17,247 ⁽¹⁾	19,867 ⁽²⁾
Declared but not paid:		
- First interim exempt (one-tier) dividend for 2024: 2.30 cents (2023: 0.90 cents) per share	30,513	11,920
	47,760	31,787

⁽¹⁾ 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 2023) were \$17,247,000 and \$17,232,000 respectively. The difference of approximately \$15,000 between the final dividend paid and the proposed final dividend to be paid to shareholders for 2023 arose due to the dividends paid on 1,145,032 ordinary shares issued on 13 March 2024. 1,145,032 ordinary shares were 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 were eligible for the final dividend which was 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 \$19,867,000 and \$19,838,000 respectively. The difference of approximately \$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.

9. Earnings per share

The Group	1H 2024 (Unaudited)	1H 2023 (Unaudited)
Profit attributable to owners of the Company (\$'000)	9,805	14,272
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,326,211,215	1,323,736,727
Basic earnings per share (cents)	0.74	1.08
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,338,704,920	1,331,553,501
Diluted earnings per share (cents)	0.73	1.07

10. Net asset value

	Group		Company	
	30/06/2024 (Unaudited)	31/12/2023 (Audited)	30/06/2024 (Unaudited)	31/12/2023 (Audited)
Net asset value attributable to owners of the Company (\$'000)	82,975	90,119	91,268	107,913
Net asset value per ordinary share at end of the financial period (cents)	6.25 ⁽¹⁾	6.80 ⁽²⁾	6.88 ⁽¹⁾	8.14 ⁽²⁾

⁽¹⁾The calculation of net asset value per ordinary share was based on 1,326,664,195 shares as at 30 June 2024.

⁽²⁾The calculation of net asset value per ordinary share was based on 1,325,519,163 shares as at 31 December 2023.

11. Property, plant and equipment

During 1H 2024, the Group acquired assets amounting to \$364,000 (1H 2023: \$451,000). There was no disposal of assets during 1H 2024 and 1H 2023.

12. Investment in subsidiaries

	Company	
	30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)
Equity shares, at cost	25,010	24,210
Discount on interest-free loans to a subsidiary	1,612	1,612
Deemed contribution in respect of share-based payments to employees of Singapore Cancer Centre Pte. Ltd. ("SCC")	4,859	4,563
Impairment loss	(12,815)	(12,815)
	<u>18,666</u>	<u>17,570</u>

As at 30 June 2024, the Company's cost of investment in subsidiaries amounted to \$25,010,000 (2023: \$24,210,000). The increase in the cost of investment in subsidiaries was due to additional capital injection of \$800,000 in its subsidiary, TalkMed Greater China Pte. Ltd. ("TMGC").

13. Share capital

	Group and Company			
	30/06/2024		31/12/2023	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Issued and fully paid ordinary shares				
Beginning of period	1,325,519	25,811	1,322,554	25,119
Ordinary shares issued upon vesting of performance shares	1,145 ⁽¹⁾	226	2,965 ⁽²⁾	692
End of period	1,326,664	26,037	1,325,519	25,811

⁽¹⁾ 1,145,032 new ordinary shares were allotted and issued on 13 March 2024 pursuant to the vesting of certain performance shares awarded in March 2020.

⁽²⁾ A total of 2,964,608 new ordinary shares were allotted and issued during the financial year ended 31 December 2023 as a result of the following:

- 1,945,210 new ordinary shares allotted and issued on 13 March 2023 pursuant to the vesting of certain performance shares awarded in March 2020;
- 499,999 new ordinary shares allotted and issued on 16 October 2023 pursuant to the vesting of certain performance shares awarded in October 2021; and
- 519,399 new ordinary shares allotted and issued on 18 October 2023 pursuant to the vesting of certain performance shares awarded in October 2022.

There were no sales, transfers, cancellation and/or use of treasury shares nor subsidiary holdings during 1H 2024. As at 30 June 2024 and 30 June 2023, there were no treasury shares held by the Company and there were no subsidiary holdings.

14. Investment property

During the financial year ended 31 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* as it is used in the Group’s operations.

The property is initially measured at cost, including transaction costs. Subsequent to initial recognition, the property is measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of the property begins when it is available for use and is computed on a straight-line basis over the estimated useful life of 30 years.

The Company has entered into an operating lease on the property with a subsidiary for a tenure of 6 years. Rental income recognised by the Company during 1H 2024 is \$75,000 (1H 2023: \$75,000).

14. Investment property (cont'd)

Set out below are the carrying amount of the investment property and the movements during 1H 2024 and the financial year ended 31 December 2023:

	Company	
	30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)
Cost		
At beginning of the period	4,012	4,012
Addition	–	–
At end of the period	4,012	4,012
Accumulated depreciation		
At beginning of the period	143	5
Depreciation charge for the period	67	138
At end of the period	210	143
Net book value		
At end of the period	3,802	3,869

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

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

As at 30 June 2024, the property had not been pledged to any financial institution to secure bank facilities.

15. Investment in joint ventures

	Group	
	30/06/2024 \$'000 (Unaudited)	31/12/2023 \$'000 (Audited)
Equity shares, at cost	4,871	4,871
Discount on interest-free loan to joint venture	98	98
Share of losses of joint ventures	(5,235)	(4,552)
Foreign currency translation	413	413
	147	830

As at 30 June 2024, the Group's cost of investment in joint ventures amounted to \$4,871,000 (2023: \$4,871,000).

During the financial year ended 31 December 2023, the Group had assessed the recoverability of the loan made to SSHM and concluded that a further impairment of \$325,000 was required. Consequently, the loan was fully impaired as at 31 December 2023.

16. Fair value of assets and liabilities

Fair value measurement

The Group categorises 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 markets 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 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); 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.

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

	Group			Carrying amount \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
30 June 2024 (Unaudited):				
<u>Non-financial assets:</u>				
Property, plant and equipment	—	3,897	—	3,802
<u>Financial assets carried at amortised cost:</u>				
Loan to a joint venture	—	—	520*	—
<u>Financial liabilities carried at amortised cost:</u>				
Loans from non-controlling shareholder to a subsidiary	—	—	4,259	4,229
31 December 2023 (Audited):				
<u>Non-financial assets:</u>				
Property, plant and equipment	—	—	3,900	3,869
<u>Financial assets carried at amortised cost:</u>				
Loan to a joint venture	—	—	509*	—
<u>Financial liabilities carried at amortised cost:</u>				
Loans from non-controlling shareholder to a subsidiary	—	—	4,226	4,190

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

16. Fair value of assets and liabilities (cont'd)

Fair value measurement (cont'd)

	Company			Carrying amount \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
30 June 2024 (Unaudited):				
<u>Non-financial assets:</u>				
Investment property	—	3,897	—	3,802
<u>Financial assets carried at amortised cost:</u>				
Loans to a subsidiary	—	—	6,389*	—
31 December 2023 (Audited):				
<u>Non-financial assets:</u>				
Investment property	—	—	3,900	3,869
<u>Financial assets carried at amortised cost:</u>				
Loans to a subsidiary	—	—	6,323*	—

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

Property, plant and equipment/Investment property

In 1H 2024, the valuation of property, plant and equipment / investment property is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market. As at 31 December 2023, the fair value of the investment property was based on the valuation performed by Savills Valuation and Professional Services (S) Pte Ltd, an accredited independent valuer, 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%	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 non-current 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.

Based on the impairment assessments carried out during financial year ended 31 December 2023, the Company recorded a full impairment in respect of the carrying value of the Group's loan to a joint venture and the Company's loans to CellVec.

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of TalkMed Group Limited and its subsidiaries (collectively, the “**Group**”) as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Performance Review

The Group’s revenue for 1H 2024 was \$33.12 million, a decrease of \$4.68 million or 12.4% from \$37.80 million in 1H 2023. This was mainly due to the implementation of the cancer drug list (“**CDL**”) which had affected the local patient numbers.

Revenue derived from our 60%-owned subsidiary, CellVec, for cellular and gene therapy related products and services during 1H 2024 amounted to \$0.86 million. This was an increase of approximately \$0.55 million or 172.2% over the revenue of \$0.32 million in 1H 2023.

Other items of income

Interest income

Interest income decreased by \$0.07 million or 7.5% from \$0.99 million in 1H 2023 to \$0.92 million in 1H 2024. The decrease was mainly due to a decreasing trend for the interest rates of the Group’s fixed deposits placed in 1H 2024 when compared to 1H 2023.

Other income

The Group’s other income comprised mainly government-paid childcare leave as well as grants and credits that are provided by the government.

Other income increased by approximately \$0.12 million or 117.5% from \$0.10 million in 1H 2023 to \$0.22 million in 1H 2024. The increase was mainly due to grants that were received from Enterprise Singapore in 1H 2024.

Other items of expense

Employee benefits expense

Employee benefits expense comprised remuneration paid to doctors, nurses as well as other support staff. These included salaries and wages, allowances, CPF contributions, bonuses and staff benefits.

Employee benefits increased by \$1.60 million or 10.4% from \$15.32 million in 1H 2023 to \$16.92 million in 1H 2024. The increase was mainly due to higher bonus provision and increase in staff salaries.

Performance Review (cont'd)

Other items of expense (cont'd)

Share-based payments expense

Share-based payments to employees related mainly to:

- Options that were granted on 10 May 2019 under the Company's employee share option scheme;
- Performance shares that were granted on 13 March 2020, 15 October 2021, 18 October 2022 and 19 December 2023 under the Company's performance share plan; and
- Performance shares that were granted on 25 April 2021 under a subsidiary's performance share plan.

It increased by approximately \$0.05 million or 19.3% from \$0.27 million in 1H 2023 to \$0.33 million in 1H 2024. The increase was mainly due to the new performance shares granted on 19 December 2023.

Depreciation of right-of-use assets

The Group recorded depreciation of right-of-use assets of \$1.08 million in 1H 2024, an increase of \$0.03 million or 3.1% from \$1.05 million in 1H 2023.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by \$0.02 million or 6.0% from \$0.32 million in 1H 2023 to \$0.30 million in 1H 2024. The decrease was mainly due to the fact that the carrying amount of the Group's property, plant and equipment was lower during 1H 2024 when compared to that during 1H 2023 and this was mainly due to an impairment loss of \$993,000 that was recorded against the Group's property, plant and equipment of at the end of financial year ended 31 December 2023.

Other operating expenses

Other operating expenses comprised mainly professional and consultancy fees, legal fees, directors' fees, donations, insurance, advertising and marketing expenses, utilities expenses, repair and maintenance costs as well as laboratory consumables and services fees.

Other operating expenses in 1H 2024 were largely comparable to 1H 2023.

Impairment loss

Impairment loss decreased by \$0.44 million or 97.8% from \$0.45 million in 1H 2023 to \$0.01 million in 1H 2024. The impairment loss that was recorded during 1H 2024 pertained to the interest of the loan that was made to Sino-Singapore Hospital Management (Chongqing) Co., Ltd. ("**SSHM**") which had been fully impaired as at 30 June 2024.

During 1H 2023, the Group had assessed the recoverability of the loan made to SSHM and recorded an impairment loss of approximately \$0.31 million. Also, the Company recorded an impairment loss of approximately \$0.14 million in marking down the carrying amount of the investment securities held for sale to its net realisable value.

Share of profits/ losses of associate

As a result of an increase in the patient numbers thereby improving the financial performance of our centre in Hong Kong, the Group's share of profits after tax of its associate, Hong Kong Integrated Oncology Centre Holdings Limited, was \$0.18 million in 1H 2024 as compared to a share of losses of \$0.02 million in 1H 2023.

Performance Review (cont'd)

Other items of expense (cont'd)

Share of losses of joint ventures

The Group's share of losses after tax of its joint ventures, Sino-Singapore Hospital Management (Chongqing) Co., Ltd. and Chongqing Medtech Health Management Co., Ltd., was \$0.68 million in 1H 2024. This was a decrease of approximately \$0.30 million or 30.7% as compared to \$0.99 million in 1H 2023 as result of an improvement in the patient numbers and financial performance of our centre in Chongqing.

Income tax expense

Income tax expense decreased by approximately \$1.49 million or 37.9% from \$3.92 million in 1H 2023 to \$2.44 million in 1H 2024 due to lower profits of our subsidiary, SCC, in 1H 2024. The effective tax rate for 1H 2024 was 22.1% as compared to 23.9% in 1H 2023.

Profit after tax

The Group recorded profit after tax of \$8.61 million in 1H 2024 as compared to \$12.49 million in 1H 2023, a decrease of \$3.88 million or 31.1%. The reasons for the decrease have been discussed above.

Review of the Group's Financial Position

Non-current assets

The Group's non-current assets comprised property, plant and equipment, right-of-use assets, investment in joint ventures, investment in associate, loan to a joint venture (which had been fully impaired) and trade receivables. Non-current assets decreased by approximately \$1.49 million which was attributable to the following:

- Decrease in right-of-use assets of \$1.03 million;
- Decrease in the carrying amount of investment in joint ventures of \$0.68 million which arose from the share of losses for 1H 2024; and
- Decrease in trade receivables of \$0.02 million.

These were partially offset by the following:

- Increase in the carrying amount of investment in associate of \$0.18 million which arose from the share of profits for 1H 2024; and
- Increase in the carrying amount of property, plant and equipment of \$0.07 million.

Current assets

Current assets comprised inventories, prepaid operating expenses, trade and other receivables and cash and short-term deposits. Current assets decreased by approximately \$10.40 million which was attributable to the following:

- Decrease in trade and other receivables of \$5.95 million;
- Decrease in cash and short-term deposits of \$4.23 million
- Decrease in inventories of \$0.15 million; and
- Decrease in prepaid operating expenses of \$0.08 million.

The decrease in trade and other receivables was mainly attributable to the lower outstanding balances from trade debtors.

Current liabilities

Current liabilities comprised trade and other payables, other liabilities, lease liabilities, income tax payable and current portion of the loan from a non-controlling shareholder to a subsidiary. Current liabilities decreased by \$3.23 million which was attributable to the following:

- Decrease in income tax payable of \$1.79 million;
- Decrease in other liabilities of \$1.42 million mainly due to the decrease in accruals and deferred revenue; and
- Decrease in lease liabilities of \$0.63 million.

These were partially offset by the increase in trade and other payables of \$0.61 million mainly due to higher other payables.

Non-current liabilities

Non-current liabilities comprised lease liabilities and non-current portion of loans from non-controlling shareholder to a subsidiary. Non-current liabilities decreased by \$0.35 million mainly due to the decrease in lease liabilities of \$0.39 million partially offset by the increase in loans from non-controlling shareholder to a subsidiary of \$0.04 million (due to the unwinding of discount adjustment of loans from non-controlling shareholder to a subsidiary).

Review of the Group's Financial Position (cont'd)

Equity attributable to owners of the Company

The decrease was mainly attributable to the final dividends paid to shareholders in respect of the financial year ended 31 December 2023, partially offset by the profits earned during the period.

Non-controlling interests

This related to the 40% non-controlling interests' share in the net equity of CellVec and BioCell as well as the share-based payments (arising from the award of performance shares) of its subsidiary, TalkMed China Pte. Ltd..

Review of the Group's Cash Flows

Operating activities

Net cash flows from operating activities amounted to \$14.46 million. This comprised operating cash flows before changes in working capital of \$12.50 million, net changes in working capital of \$5.39 million and interest received of \$0.91 million, less interest paid on lease liabilities of \$0.11 million and income tax paid of \$4.23 million.

The net decrease in working capital of \$5.39 million was mainly due to the following:

- Decrease in inventories of \$0.15 million;
- Decrease in trade and other receivables of \$5.97 million;
- Decrease in prepaid operating expenses of \$0.08 million;
- Increase in trade and other payables of \$0.61 million; and
- Decrease in other liabilities of \$1.42 million.

Investing activities

Net cash flows used in investing activities of \$0.36 million was mainly attributable to the purchase of property, plant and equipment by one of our Beijing subsidiaries.

Financing activities

Net cash flows used in financing activities amounted to \$18.32 million. This was attributable to the payment of final dividends of \$17.25 million to shareholders in respect of the financial year ended 31 December 2023 and the payment of principal portion of lease liabilities of \$1.07 million.

Net decrease in cash and cash equivalents

The reasons for the net decrease in cash and cash equivalents of approximately \$4.23 million for 1H 2024 have been discussed above. Cash and cash equivalents totalled \$85.67 million as at 30 June 2024.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Singapore

Our oncology business in Singapore had been affected following the implementation of the Cancer Drug List (“**CDL**”) that was introduced by the government in September 2022 so as to keep cancer treatments and insurance premiums affordable in the longer term. Following the implementation of the CDL, our local patient numbers have decreased due to higher out-of-pocket payments following the changes in the coverage by the insurance companies for cancer treatments. Also, we face growing competition in the region that is brought about by a strong Singapore dollar relative to their currencies and increased competitiveness of healthcare facilities in the region.

We expect the local patient numbers to be soft for the rest of the year but we will continue to pursue the growth in foreign patients to counter the headwinds that we have experienced in our local patient segment.

CellVec continues to deliver batches of lentiviral vectors that are compliant with current good manufacturing practice (CGMP) regulations to clients ranging from small biotech companies to research powerhouses. This was made possible by industrialising its manufacturing process, bringing in controls and streamlining processes. BioCell has commenced operations but has yet to record any revenue in 1H 2024. With an expected pick-up in venture funding in the cell and gene therapy sector, we hope to capitalise on the market growth by closing in on active customer leads which include, among others, biotechnology companies, research institutes to large pharmaceutical companies.

Hong Kong/ China

Our centres in Hong Kong and mainland China have seen an improvement in their patient numbers and financial performances during 1H 2024.

We aim to continue to grow our patient numbers by raising the profiles of our centres through collaborations with established hospitals and insurance companies, hiring of more experienced doctors and other medical professionals as well as looking into new services to distinguish our centres from their competitors. Also, we will continue to work on increasing the frequency of visits to our China centres by our Singapore experts which is expected to further bolster the growth in caseloads at these centres.

5. Dividend information

(a) Any dividend declared or recommended for the current financial period reported on

Yes, the Board has declared an interim cash dividend in respect of the financial year ending 31 December 2024 as follows:

Name of dividend	Interim dividend	Interim special dividend
Dividend type	Cash	Cash
Dividend rate	\$0.009 per ordinary share	\$0.014 per ordinary share
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

As at 30 June 2024, the Group had a strong balance sheet comprising, among others, a cash balance of \$85.67 million, and retained earnings was \$56.02 million. In view of the aforementioned, and after taking into consideration the working capital requirements of the Group (including ensuring sufficient financial resources to fulfil its liabilities as and when they fall due), the directors have decided to declare an interim dividend of \$0.009 per ordinary share and an interim special dividend of \$0.014 per ordinary share.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year

Interim dividend was declared but no interim special dividend was declared for the corresponding period of the immediately preceding financial year. Details of the interim dividend are as follows:

Name of dividend	Interim dividend
Dividend type	Cash
Dividend rate	\$0.009 per ordinary share
Tax rate	Tax exempt (one-tier)

(c) The date the dividend is payable

Dividend will be paid on 22 August 2024.

(d) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 15 August 2024 for the purpose of determining entitlements of ordinary shareholders to the tax exempt (one-tier) interim dividend in respect of the financial year ending 31 December 2024.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

7. If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for Interested Person Transactions pursuant to Rule 920(1)(a)(ii).

8. Confirmation pursuant to Rule 720(1)

TalkMed Group Limited confirms that undertakings under Rule 720(1) have been obtained from all directors and executive officers in the format set out in form Appendix 7.7.

9. Confirmation pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial statements of the Group and the Company for 1H 2024 to be false or misleading in any material aspect.

ADDITIONAL INFORMATION

10. Disposal of equity interests in Stem Med Pte. Ltd.

In 2021, the Company disposed of its entire 55.2% stake in a subsidiary, Stem Med Pte. Ltd. ("**Stem Med**"), to Edge Capital Fund SP2 Pte. Ltd. (the "**Purchaser**") (the "**Divestment**"). The Purchaser is a Singapore-incorporated subsidiary of Edge Capital Fund SPC (the "**SPC**"), a segregated portfolio company incorporated with limited liability in the Cayman Islands.

The consideration for the Divestment of USD 811,000 was satisfied by the allotment and issue of 811 Class C non-voting participating shares ("**Class C Shares**") in Regenosis Gero-Science Fund SP (the "**Fund**"), a segregated portfolio of the SPC.

During the year ended 31 December 2023, there were disputes and legal proceedings ("**Proceedings**") involving investee companies of the Fund, including Stem Med, which impacted the operations of these companies. The Group subsequently marked down the carrying amount of the Class C Shares to its net realisable value of \$Nil.

During 1H 2024, the Company attended a mediation and all parties agreed to a full and final settlement of all claims in the Proceedings ("**Settlement**") with no admission as to liability. The Settlement has no material impact on the Company's financial position as at 30 June 2024 as the Class C Shares had been fully written down. Following the Settlement, the Class C Shares will be considered extinguished/cancelled.

Pursuant to the Settlement, the Company re-acquired its 55.2% stake in Stem Med for nominal consideration of \$1 in cash and in exchange for, *inter alia*, allowing the Fund to redeem, extinguish and/or cancel the Class C Shares at a nominal sum of \$1. At the point of re-acquisition, Stem Med was dormant, loss-making and in a net tangible liability position⁽¹⁾. Following the re-acquisition of Stem Med, the Company divested its entire 55.2% stake in Stem Med to StemCord Pte Ltd for nominal consideration of \$1 in cash (the "**Disposal**") as the Company was of the view that the Disposal was in the best interest of the Company in light of the financial position of Stem Med and the lack of turn-around prospects for Stem Med.

BY ORDER OF THE BOARD

Ang Peng Tiam
Chief Executive Officer
15 July 2024

⁽¹⁾ Based on Stem Med's latest management accounts (as at the financial year ended 31 December 2023), the net asset value represented by the 55.2% stake in Stem Med was approximately negative \$447,000.