



TALKMED GROUP LIMITED
(Company Registration No. 201324565Z)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

| | Note | 6 months ended 30 June 2021 ("1H 2021") \$'000 (Unaudited) | 6 months ended 30 June 2020 ("1H 2020") \$'000 (Unaudited) | Increase / (Decrease) % |
|-------------------------------------|------|---|---|-------------------------------|
| The Group | | | | |
| Revenue | 4 | 28,854 | 30,675 | (5.9%) |
| Other items of income | | | | |
| Interest income | | 138 | 495 | (72.1%) |
| Other income | | 382 | 843 | (54.7%) |
| Other items of expense | | | | |
| Employee benefits expense | | (12,304) | (12,943) | (4.9%) |
| Share-based payments expense | | (283) | (1,741) | (83.7%) |
| Operating lease expense | | (30) | (23) | 30.4% |
| Depreciation of right-of-use assets | | (1,065) | (966) | 10.2% |
| Depreciation of plant and equipment | | (134) | (723) | (81.5%) |
| Finance costs | | (227) | (214) | 6.1% |
| Other operating expenses | | (2,448) | (2,556) | (4.2%) |
| Share of results of associate | | (133) | (953) | (86.0%) |
| Share of results of joint venture | | (223) | - | N.M |
| Profit before tax | 6 | 12,527 | 11,894 | 5.3% |
| Income tax expense | 7 | (2,793) | (2,889) | (3.3%) |
| Profit for the period | | 9,734 | 9,005 | 8.1% |

N.M = not meaningful

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

| The Group | 1H 2021 \$'000 (Unaudited) | 1H 2020 \$'000 (Unaudited) | Increase / (Decrease) % |
|--|---|---|--|
| Attributable to: | | | |
| Owners of the Company | 10,810 | 10,695 | 1.1% |
| Non-controlling interests | (1,076) | (1,690) | (36.3%) |
| | 9,734 | 9,005 | 8.1% |
| Other comprehensive income: | | | |
| Items that may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation | 212 | 215 | (1.4%) |
| Other comprehensive income for the period, net of tax | 212 | 215 | (1.4%) |
| Total comprehensive income for the period | 9,946 | 9,220 | 7.9% |
| Attributable to: | | | |
| Owners of the Company | 11,022 | 10,871 | 1.4% |
| Non-controlling interests | (1,076) | (1,651) | (34.8%) |
| Total comprehensive income for the period | 9,946 | 9,220 | 7.9% |

B. Condensed interim statements of financial position

| | Note | Group | | Company | |
|--|------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | | 30/06/2021 \$'000 (Unaudited) | 31/12/2020 \$'000 (Audited) | 30/06/2021 \$'000 (Unaudited) | 31/12/2020 \$'000 (Audited) |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Plant and equipment | 11 | 2,279 | 2,015 | - | - |
| Right-of-use assets | | 3,115 | 4,157 | - | - |
| Investment in subsidiaries | 12 | - | - | 16,632 | 15,629 |
| Investment in joint venture | | 4,726 | 4,811 | - | - |
| Investment in associate | | 2,166 | 2,299 | 11,399 | 11,399 |
| Prepaid operating expenses | | 37 | 25 | - | - |
| | | <u>12,323</u> | <u>13,307</u> | <u>28,031</u> | <u>27,028</u> |
| Current assets | | | | | |
| Inventories | | 1,047 | 1,004 | - | - |
| Prepaid operating expenses | | 460 | 584 | 9 | 15 |
| Trade and other receivables | | 7,064 | 10,295 | 6,084 | 15,428 |
| Cash and short-term deposits | | 80,945 | 79,430 | 775 | 824 |
| | | <u>89,516</u> | <u>91,313</u> | <u>6,868</u> | <u>16,267</u> |
| Total assets | | <u>101,839</u> | <u>104,620</u> | <u>34,899</u> | <u>43,295</u> |
| EQUITY AND LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 2,204 | 1,982 | 33 | 77 |
| Other liabilities | | 3,694 | 4,518 | 124 | 138 |
| Lease liabilities | | 1,161 | 1,786 | - | - |
| Income tax payable | | 5,956 | 9,125 | - | - |
| | | <u>13,015</u> | <u>17,411</u> | <u>157</u> | <u>215</u> |
| Net current assets | | <u>76,501</u> | <u>73,902</u> | <u>6,711</u> | <u>16,052</u> |
| Non-current liabilities | | | | | |
| Other liabilities | | 131 | 107 | - | - |
| Lease liabilities | | 2,244 | 2,690 | - | - |
| Loans from non-controlling shareholder to subsidiaries | | 2,483 | 5,657 | - | - |
| | | <u>4,858</u> | <u>8,454</u> | <u>-</u> | <u>-</u> |
| Total liabilities | | <u>17,873</u> | <u>25,865</u> | <u>157</u> | <u>215</u> |
| Net assets | | <u>83,966</u> | <u>78,755</u> | <u>34,742</u> | <u>43,080</u> |

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

| | Note | Group | | Company | |
|---|------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | | 30/06/2021 \$'000 (Unaudited) | 31/12/2020 \$'000 (Audited) | 30/06/2021 \$'000 (Unaudited) | 31/12/2020 \$'000 (Audited) |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 13 | 24,505 | 23,905 | 24,505 | 23,905 |
| Merger reserve | | (2,311) | (2,311) | - | - |
| Share-based payments reserve | | 1,266 | 1,583 | 1,256 | 1,583 |
| Other reserve | | 2,807 | 2,807 | - | - |
| Foreign currency translation reserve | | 425 | 213 | - | - |
| Retained earnings | | 58,103 | 57,237 | 8,981 | 17,592 |
| | | 84,795 | 83,434 | 34,742 | 43,080 |
| Non-controlling interests | | (829) | (4,679) | - | - |
| Total equity | | 83,966 | 78,755 | 34,742 | 43,080 |
| Total equity and liabilities | | 101,839 | 104,620 | 34,899 | 43,295 |

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 2021 | | 23,905 | (2,311) | 1,583 | 2,807 | 213 | 57,237 | (4,679) | 78,755 |
| Profit for the period | | - | - | - | - | - | 10,810 | (1,076) | 9,734 |
| <u>Other comprehensive income</u> | | | | | | | | | |
| Foreign currency translation | | - | - | - | - | 212 | - | - | 212 |
| Other comprehensive income for the period, net of tax | | - | - | - | - | 212 | - | - | 212 |
| Total comprehensive income for the period | | - | - | - | - | 212 | 10,810 | (1,076) | 9,946 |
| <u>Distributions to and contributions by owners</u> | | | | | | | | | |
| Dividends | 8 | - | - | - | - | - | (9,900) | - | (9,900) |
| Share-based payments | | - | - | 283 | - | - | - | - | 283 |
| Contribution of capital by non-controlling shareholder | | - | - | - | - | - | - | 1,600 | 1,600 |
| Capitalisation of loans from non-controlling shareholder to a subsidiary | | - | - | - | - | - | - | 3,282 | 3,282 |
| Ordinary shares issued upon vesting of performance shares | 13 | 600 | - | (600) | - | - | - | - | - |
| <u>Changes in ownership interests in subsidiary</u> | | | | | | | | | |
| Dilution in subsidiary without a loss in control | | - | - | - | - | - | (44) | 44 | - |
| Balance at 30 June 2021 | | 24,505 | (2,311) | 1,266 | 2,807 | 425 | 58,103 | (829) | 83,966 |

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

| The Group (Unaudited) | Note | Attributable to owners of the Company | | | | | | Non- controlling interests | Total equity |
|--|------|---------------------------------------|-------------------|--|------------------|---|----------------------|----------------------------------|-----------------|
| | | Share capital | Merger reserve | Share- based payments reserve | Other reserve | Foreign currency translation reserve | Retained earnings | | |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | |
| Balance at 1 January 2020 | | 22,438 | (2,311) | 938 | 2,258 | (290) | 60,072 | (1,414) | 81,691 |
| Profit for the period | | - | - | - | - | - | 10,695 | (1,690) | 9,005 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation | | - | - | - | - | 176 | - | 39 | 215 |
| Other comprehensive income for the period, net of tax | | - | - | - | - | 176 | - | 39 | 215 |
| Total comprehensive income for the period | | - | - | - | - | 176 | 10,695 | (1,651) | 9,220 |
| <u>Distributions to and contributions by owners</u> | | | | | | | | | |
| Dividends | 8 | - | - | - | - | - | (17,134) | - | (17,134) |
| Share-based payments | | - | - | 1,741 | - | - | - | - | 1,741 |
| Ordinary shares issued upon vesting of performance shares | 13 | 1,467 | - | (1,467) | - | - | - | - | - |
| Others ⁽¹⁾ | | - | - | - | - | - | (293) | - | (293) |
| Balance at 30 June 2020 | | 23,905 | (2,311) | 1,212 | 2,258 | (114) | 53,340 | (3,065) | 75,225 |

Note:-

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

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 2021 | | 23,905 | 1,583 | 17,592 | 43,080 |
| Profit for the period, representing total comprehensive income for the period | | - | - | 1,289 | 1,289 |
| <u>Distributions to and contributions by owners</u> | | | | | |
| Dividends | 8 | - | - | (9,900) | (9,900) |
| Share-based payments | | - | 273 | - | 273 |
| Ordinary shares issued upon vesting of performance shares | 13 | 600 | (600) | - | - |
| Balance at 30 June 2021 | | 24,505 | 1,256 | 8,981 | 34,742 |
| Balance at 1 January 2020 | | 22,438 | 938 | 28,552 | 51,928 |
| Profit for the period, representing total comprehensive income for the period | | - | - | 2,342 | 2,342 |
| <u>Distributions to and contributions by owners</u> | | | | | |
| Dividends | 8 | - | - | (17,134) | (17,134) |
| Share-based payments | | - | 1,741 | - | 1,741 |
| Ordinary shares issued upon vesting of performance shares | 13 | 1,467 | (1,467) | - | - |
| Balance at 30 June 2020 | | 23,905 | 1,212 | 13,760 | 38,877 |

D. Condensed interim consolidated statement of cash flows

| The Group | Note | 1H 2021 \$'000 (Unaudited) | 1H 2020 \$'000 (Unaudited) |
|---|------|----------------------------------|----------------------------------|
| Operating Activities | | | |
| Profit before tax | | 12,527 | 11,894 |
| <u>Adjustments for:</u> | | | |
| Depreciation of plant and equipment | | 134 | 723 |
| Depreciation of right-of-use assets | | 1,065 | 966 |
| Share-based payments expense | | 283 | 1,741 |
| Finance costs on unwinding of discount adjustment of loans to subsidiaries | 6 | 108 | 143 |
| Finance costs on lease liabilities | 6 | 119 | 71 |
| Interest income | | (138) | (495) |
| Share of results of associate | | 133 | 953 |
| Share of results of joint venture | | 223 | - |
| Currency re-alignment | | 74 | 115 |
| Operating cash flows before changes in working capital | | 14,528 | 16,111 |
| Changes in working capital | | | |
| Increase in inventories | | (43) | (108) |
| Decrease/(increase) in prepaid operating expenses | | 112 | (278) |
| Decrease in trade and other receivables | | 3,201 | 2,316 |
| Increase in trade and other payables | | 222 | 643 |
| (Decrease)/increase in other liabilities | | (800) | 743 |
| Total changes in working capital | | 2,692 | 3,316 |
| Cash flows generated from operations | | | |
| Interest received | | 17,220 | 19,427 |
| Interest paid on lease liabilities | | 168 | 568 |
| Income tax paid | | (119) | (71) |
| Net cash flows generated from operating activities | | (5,962) | (1,429) |
| Net cash flows generated from operating activities | | 11,307 | 18,495 |
| Investing Activities | | | |
| Purchase of plant and equipment | 11 | (398) | (199) |
| Net cash flows used in investing activities | | (398) | (199) |
| Financing Activities | | | |
| Dividends paid on ordinary shares | 8 | (9,900) | (17,134) |
| Proceeds from issuance of shares by a subsidiary to non-controlling shareholder | | 1,600 | - |
| Payment for principal portion of lease liabilities | | (1,094) | (946) |
| Net cash flows used in financing activities | | (9,394) | (18,080) |
| Net increase in cash and cash equivalents | | 1,515 | 216 |
| Cash and cash equivalents at beginning of the period | | 79,430 | 80,698 |
| Cash and cash equivalents at end of the period | | 80,945 | 80,914 |

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, Mount Elizabeth Hospital Level 2, Singapore 228510.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, joint venture 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 services related to processing, culturing and storage of stem cells;
- (e) Provision of cellular and gene therapy related products and services; and
- (f) Provision of services related to operation of cellular laboratories and storage facilities and cellular therapeutics clinics.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 (“**1H 2021**”) comprise the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of preparation

The condensed interim financial statements for 1H 2021 have been prepared in accordance with 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 2020.

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 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 2020.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- Note 12 – impairment assessment of investment in subsidiary and loan to subsidiary: key assumptions underlying recoverable amounts

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 three 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 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 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. The business operations of TSMC and SSCC commenced during 1H 2021 but did not contribute significantly to the Group's financial results.

4. Segment and revenue information (cont'd)

i) Oncology services (cont'd)

Management fees

Revenue from management fees is derived from the billing of salaries, wages and employee benefits and rental of premises incurred 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.

ii) Stem cell related products and services

The provision of services related to processing, culturing and storage of stem cells through its subsidiary, Stem Med Pte. Ltd. ("**Stem Med**"), to Parkway Cancer Centre, a division of Parkway Hospitals Singapore Pte. Ltd., StemCord Pte Ltd, the non-controlling shareholder of Stem Med, and other individual customers. Revenue from processing and culturing of stem cells is recognised upon completion of processing and culturing while revenue arising from the storage of stem cells is accounted for on a straight-line basis over the contractual storage period and recognised in full upon release of all stem cells from storage.

iii) Cellular and gene therapy related products and services

The provision of goods and services related to cellular and gene therapy through its subsidiary, CellVec Pte. Ltd. ("**CellVec**"). Revenue from the manufacturing of cellular and gene therapy related products is recognised at the 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. 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.

4.1 Reportable segments

| | Group | | | |
|--|-------------------------------------|---|---|---|
| | Oncology services \$'000 | Stem cell related products and services \$'000 | Cellular and gene therapy related products and services \$'000 | Per consolidated financial statements \$'000 |
| 1 January 2021 to 30 June 2021 | | | | |
| Revenue | | | | |
| External customers, representing total revenue | 28,381 | 473 | - | 28,854 |
| Results | | | | |
| Interest income | 136 | - | 2 | 138 |
| Employee benefits expense | 10,844 | 236 | 1,224 | 12,304 |
| Share-based payments expense | 283 | - | - | 283 |
| Depreciation of right-of-use assets | 861 | 104 | 100 | 1,065 |
| Depreciation of plant and equipment | 107 | 24 | 3 | 134 |
| Finance costs on lease liabilities | 103 | 6 | 10 | 119 |
| Finance costs on unwinding of discount adjustment of loans to subsidiaries | - | 43 | 65 | 108 |
| Share of results of associate | 133 | - | - | 133 |
| Share of results of joint venture | 223 | - | - | 223 |
| Income tax expense | 2,793 | - | - | 2,793 |
| Segment profit/(loss) | 12,247 | (360) | (2,153) | 9,734 |
| Assets | | | | |
| Investment in associate | 2,166 | - | - | 2,166 |
| Investment in joint venture | 4,726 | - | - | 4,726 |
| Segment assets | 88,712 | 1,755 | 4,480 | 94,947 |
| Total assets | 95,604 | 1,755 | 4,480 | 101,839 |
| Liabilities | | | | |
| Segment liabilities | 13,127 | 981 | 3,765 | 17,873 |

4.1 Reportable segments (cont'd)

| | Group | | | |
|--|-------------------------------------|---|---|---|
| | Oncology services \$'000 | Stem cell related products and services \$'000 | Cellular and gene therapy related products and services \$'000 | Per consolidated financial statements \$'000 |
| 1 January 2020 to 30 June 2020 | | | | |
| Revenue | | | | |
| External customers, representing total revenue | 30,165 | 504 | 6 | 30,675 |
| Results | | | | |
| Interest income | 492 | - | 3 | 495 |
| Employee benefits expense | 11,325 | 249 | 1,369 | 12,943 |
| Share-based payments expense | 1,741 | - | - | 1,741 |
| Depreciation of right-of-use assets | 757 | 107 | 102 | 966 |
| Depreciation of plant and equipment | 2 | 61 | 660 | 723 |
| Finance costs on lease liabilities | 54 | 7 | 10 | 71 |
| Finance costs on unwinding of discount adjustment of loans to subsidiaries | - | 82 | 61 | 143 |
| Share of results of associate | 953 | - | - | 953 |
| Income tax expense | 2,889 | - | - | 2,889 |
| Segment profit/(loss) | 12,601 | (338) | (3,258) | 9,005 |
| Assets | | | | |
| Investment in associate | 1,741 | - | - | 1,741 |
| Segment assets | 91,455 | 2,469 | 6,600 | 100,524 |
| Total assets | 93,196 | 2,469 | 6,600 | 102,265 |
| Liabilities | | | | |
| Segment liabilities | 17,348 | 4,343 | 5,349 | 27,040 |

4.2 Disaggregation of revenue

The table below summarises information about the Group's revenues for 1H 2021 and 1H 2020 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 | | | | Stem cell related products and services | | Cellular and gene therapy related products and services | | Total revenue | |
| | Consultancy services | | Management fees | | 1H 2021 | 1H 2020 | 1H 2021 | 1H 2020 | 1H 2021 | 1H 2020 |
| | 1H 2021 | 1H 2020 | 1H 2021 | 1H 2020 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Primary geographical markets | | | | | | | | | | |
| Singapore | 19,107 | 19,788 | 8,979 | 10,081 | 411 | 405 | - | 6 | 28,497 | 30,280 |
| China and Hong Kong | 167 | 139 | 63 | 65 | - | - | - | - | 230 | 204 |
| Vietnam | 46 | 55 | 19 | 37 | 4 | 4 | - | - | 69 | 96 |
| Malaysia | - | - | - | - | 32 | 89 | - | - | 32 | 89 |
| Indonesia | - | - | - | - | 5 | 5 | - | - | 5 | 5 |
| Philippines | - | - | - | - | 21 | 1 | - | - | 21 | 1 |
| | 19,320 | 19,982 | 9,061 | 10,183 | 473 | 504 | - | 6 | 28,854 | 30,675 |
| Timing of transfer of goods or services | | | | | | | | | | |
| At a point in time | - | - | - | - | 412 | 455 | - | 6 | 412 | 461 |
| Over time | 19,320 | 19,982 | 9,061 | 10,183 | 61 | 49 | - | - | 28,442 | 30,214 |
| | 19,320 | 19,982 | 9,061 | 10,183 | 473 | 504 | - | 6 | 28,854 | 30,675 |

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 2021 and 31 December 2020:

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30/06/2021 \$'000 | 31/12/2020 \$'000 | 30/06/2021 \$'000 | 31/12/2020 \$'000 |
| Financial assets | | | | |
| Cash and short-term deposits | 80,945 | 79,430 | 775 | 824 |
| Trade and other receivables | 7,064 | 10,295 | 6,084 | 15,428 |
| Less: GST receivable | (33) | (30) | - | - |
| Total financial assets carried at amortised cost | 87,976 | 89,695 | 6,859 | 16,252 |
| Financial liabilities | | | | |
| Trade and other payables | 2,204 | 1,982 | 33 | 77 |
| Accrued operating expenses | 3,083 | 4,152 | 124 | 138 |
| Lease liabilities | 3,405 | 4,476 | - | - |
| Loans from non-controlling shareholder to subsidiaries | 2,483 | 5,657 | - | - |
| Less: GST payable | (975) | (989) | - | - |
| Total financial liabilities carried at amortised cost | 10,200 | 15,278 | 157 | 215 |

6. Profit before tax

6.1 Significant items

| | Group | |
|---|-------------------|-------------------|
| | 1H 2021 \$'000 | 1H 2020 \$'000 |
| Finance costs on: | | |
| - Lease liabilities | 119 | 71 |
| - Unwinding of discount adjustment of loans to subsidiaries | 108 | 143 |
| | 227 | 214 |

6. Profit before tax (cont'd)

6.2 Related party transactions

In addition to the related party information disclosed elsewhere in this set of interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during 1H 2021 and 1H 2020:

| | Group | |
|--|-------------------|-------------------|
| | 1H 2021 \$'000 | 1H 2020 \$'000 |
| Lease payments to directors and director-related companies | 564 | 490 |
| Lease payments to non-controlling shareholder | 184 | 174 |
| Service fees paid to non-controlling shareholder | 88 | 55 |
| Service fees paid to director-related companies | 12 | 9 |
| Payments made on behalf by non-controlling shareholder | 11 | 10 |
| Consultancy services rendered to associate | 132 | 139 |
| Stem cell processing fees charged to non-controlling shareholder | 122 | 187 |

7. Taxation

The Group calculates the income tax expense for 1H 2021 and 1H 2020 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 2021 \$'000 | 1H 2020 \$'000 |
| Current income tax: | | |
| - Current income taxation | 2,761 | 2,889 |
| - Under provision in respect of prior years | 32 | - |
| Income tax expense recognised in profit or loss | 2,793 | 2,889 |

8. Dividends

| | Group and Company | |
|---|--------------------------|-----------------------|
| | 1H 2021 | 1H 2020 |
| | \$'000 | \$'000 |
| Declared and paid: | | |
| <i>Dividends on ordinary shares:</i> | | |
| - Final exempt (one-tier) dividend for 2020: 0.75 cents (2020: 1.30 cents) per share | 9,900 ⁽¹⁾ | 17,134 ⁽²⁾ |
| Declared but not paid: | | |
| - First interim exempt (one-tier) dividend for 2021: 0.70 cents (2020: NIL cents) per share | 9,241 | - |
| | 19,141 | 17,134 |

⁽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 2020) were \$9,900,000 and \$9,885,000 respectively. The difference of \$15,000 between the final dividend paid and the proposed final dividend to be paid to shareholders for 2020 arose due to the dividends paid on 1,966,931 ordinary shares issued on 15 March 2021. 1,966,931 ordinary shares were allotted and issued on 15 March 2021 pursuant to the vesting of the first tranche of performance shares awarded to Categories B and C employees of the Group in March 2020. These newly allotted ordinary shares were eligible for the final dividend which was paid on 11 May 2021. Please refer to note 13 for more details on this allotment.

⁽²⁾ The final dividend paid to shareholders and the proposed final dividend (as previously disclosed in the full year announcement and annual report for the year ended 31 December 2019) were \$17,134,000 and \$17,089,000 respectively. The difference of \$45,000 between the final dividend paid and the proposed final dividend to be paid to shareholders for 2019 arose due to the dividends paid on the 3,465,423 ordinary shares issued on 13 March 2020. 3,465,423 ordinary shares were allotted and issued on 13 March 2020 pursuant to the immediate vesting of performance shares awarded to Category A employees of the Group in March 2020. These newly allotted ordinary shares were eligible for the final dividend which was paid on 11 May 2020. Please refer to note 13 for more details on this allotment.

9. Earnings per share

| The Group | 1H 2021 | 1H 2020 |
|--|--------------------|--------------------|
| | (Unaudited) | (Unaudited) |
| Profit attributable to owners of the Company (\$'000) | 10,810 | 10,695 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 1,319,253,111 | 1,316,620,766 |
| Basic earnings per share (cents) | 0.82 | 0.81 |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 1,326,517,960 | 1,321,929,740 |
| Diluted earnings per share (cents) | 0.81 | 0.81 |

10. Net asset value

| | Group | | Company | |
|---|---------------------------|-------------------------|---------------------------|-------------------------|
| | 30/06/2021 (Unaudited) | 31/12/2020 (Audited) | 30/06/2021 (Unaudited) | 31/12/2020 (Audited) |
| Net asset value attributable to owners of the Company (\$'000) | 84,795 | 83,434 | 34,742 | 43,080 |
| Net asset value per ordinary share at end of the financial period (cents) | 6.42 ⁽¹⁾ | 6.33 ⁽²⁾ | 2.63 ⁽¹⁾ | 3.27 ⁽²⁾ |

⁽¹⁾The calculation of net asset value per ordinary share was based on 1,320,109,347 shares as at 30 June 2021.

⁽²⁾The calculation of net asset value per ordinary share was based on 1,318,054,779 shares as at 31 December 2020.

11. Plant and equipment

During 1H 2021, the Group acquired assets amounting to \$398,000 (1H 2020: \$199,000). There was no disposal of assets during 1H 2021 and 1H 2020.

12. Investment in subsidiaries

| | Company | |
|--|----------------------|----------------------|
| | 30/06/2021 \$'000 | 31/12/2020 \$'000 |
| Equity shares, at cost | 21,108 | 17,978 |
| Discount on interest-free loans to subsidiaries | 2,192 | 2,192 |
| Deemed contribution in respect of share-based payments to employees of Singapore Cancer Centre Pte. Ltd. ("SCC") | 3,488 | 3,215 |
| Impairment loss | (10,156) | (7,756) |
| | <u>16,632</u> | <u>15,629</u> |

As at 30 June 2021, the Company's cost of investment in subsidiaries amounted to \$21,108,000 (2020: \$17,978,000). The increase in the cost of investment in subsidiaries was due to additional capital injections of \$730,000 and \$2,400,000 in its subsidiaries, TalkMed Greater China Pte. Ltd. and CellVec respectively.

During 1H 2021, due to the adverse impact of COVID-19 on the cellular and gene therapy segment and the continued losses incurred by this segment, the Company re-assessed the additional cost of investments injected during 1H 2021 of \$2,400,000 in CellVec for impairment. An impairment loss of \$2,400,000 was recognised in respect of these additional investments.

12. Investment in subsidiaries (cont'd)

Impairment test for investment in CellVec, including loan to CellVec

| <u>Company</u> | Carrying amount | | Basis on which recoverable amount is determined | Post-tax discount rate per annum | |
|--------------------------|-----------------|------------|---|----------------------------------|------------|
| | 30/06/2021 | 31/12/2020 | | 30/06/2021 | 31/12/2020 |
| | \$'000 | \$'000 | | | |
| CellVec | | | | | |
| Investment in subsidiary | – | – | Value-in-use | 21.1% | 21.1% |
| Loan to subsidiary | – | – | Value-in-use | 21.1% | 21.1% |

CellVec provides cellular and gene therapy related products and services. The recoverable amounts of the investment in CellVec and loan to CellVec have 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 1.7% (2020: 1.7%) 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 6% and 115% (2020: 6% and 454%).

As the estimated value-in-use is negative, the Company recognised a full impairment loss of \$2,400,000 and \$97,000 in respect of the carrying amount of the Company's additional investments in CellVec and loan to CellVec respectively. For the financial year ended 31 December 2020, the Company recognised a full impairment loss of \$4,726,000 and \$3,626,000 in respect of the carrying amount of the Company's investment in CellVec and loan to CellVec respectively.

Key assumptions used in the 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 its operating segments and derived from its weighted average cost of capital.

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.

13. Share capital

| | Group and Company | | | |
|---|-----------------------|--------|-----------------------|--------|
| | 30/06/2021 | | 31/12/2020 | |
| | No. of shares '000 | \$'000 | No. of shares '000 | \$'000 |
| Issued and fully paid ordinary shares | | | | |
| Beginning of period | 1,318,055 | 23,905 | 1,314,502 | 22,438 |
| Ordinary shares issued upon vesting of performance shares | 2,054 ⁽¹⁾ | 600 | 3,553 ⁽²⁾ | 1,467 |
| End of period | 1,320,109 | 24,505 | 1,318,055 | 23,905 |

⁽¹⁾ A total of 2,054,568 new ordinary shares were issued during the period as a result of the following:

- 1,966,931 new ordinary shares have been allotted and issued on 15 March 2021 pursuant to the vesting of the first tranche of performance shares awarded to Categories B and C employees of the Group; and
- 87,637 new ordinary shares have been allotted and issued on 11 May 2021 pursuant to the vesting of the final tranche of performance shares awarded on 11 May 2017.

⁽²⁾ A total of 3,553,056 new ordinary shares were issued during the period as a result of the following:

- 3,465,423 new ordinary shares have been allotted and issued on 13 March 2020 pursuant to the immediate vesting of performance shares awarded to Category A employees of the Group; and
- 87,633 new ordinary shares have been allotted and issued on 11 May 2020 pursuant to the vesting of the second tranche of performance shares awarded on 11 May 2017.

There were no sales, transfers, cancellation and/or use of treasury shares nor subsidiary holdings during 1H 2021. As at 30 June 2021 and 30 June 2020, there were no treasury shares held by the Company and there were no subsidiary holdings.

14. Subsequent events

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

1. Review

The condensed consolidated statement of financial position of TalkMed Group Limited and its subsidiaries (collectively, the “**Group**”) as at 30 June 2021 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

Revenue

The Group’s revenue for 1H 2021 was \$28.85 million, a decrease of some \$1.82 million or 5.9% from \$30.68 million in 1H 2020. The decrease was due to the Coronavirus disease (“**COVID-19**”) pandemic which led to a decrease in the number of patient visits compared to the same corresponding period last year.

Revenue derived from our 55.2%-owned subsidiary, Stem Med, for stem cell processing and storage services during 1H 2021 amounted to \$0.47 million. This was a decrease of \$0.03 million or 6.2% over 1H 2020.

There was no revenue derived from our 60%-owned subsidiary, CellVec, for cellular and gene therapy services during 1H 2021. This was a decrease of \$0.01 million or 100.0% over 1H 2020.

Other items of income

Interest income

Interest income decreased by \$0.36 million or 72.1% from \$0.50 million in 1H 2020 to \$0.14 million in 1H 2021. The decrease was mainly due to the lower interest rates on fixed deposits.

Other income

The Group’s other income comprised government-paid childcare and maternity leave, government grant under Special Employment Credit, Wage Credit Scheme and Jobs Support Scheme as well as Enterprise Development Grant.

Other income decreased by \$0.46 million or 54.7% from \$0.84 million in 1H 2020 to \$0.38 million in 1H 2021. The decrease was mainly due to lower grant received under Jobs Support Scheme.

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 decreased by \$0.64 million or 4.9% from \$12.94 million in 1H 2020 to \$12.30 million in 1H 2021. The decrease was mainly due to lower bonus provision.

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 11 May 2017 and 10 May 2019 under the Company's employee share option scheme;
- Performance shares that were granted on 11 May 2017 and 13 March 2020 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 decreased by \$1.46 million or 83.7% from \$1.74 million in 1H 2020 to \$0.28 million in 1H 2021. The decrease was mainly due to the following:

- The recognition of share-based payments expense in 1H 2020 relating to the performance shares awarded to certain eligible employees of the Group on 13 March 2020, which was not incurred in 1H 2021.

This was partially offset by the increase in the recognition of share-based payments expense for the performance shares awarded to certain employees of a subsidiary on 25 April 2021.

Operating lease expense

Operating lease expense increased by \$0.01 million or 30.4% from \$0.02 million in 1H 2020 to \$0.03 million in 1H 2021. The increase was due to the short-term lease of a China subsidiary.

Depreciation of right-of-use assets

The Group recorded depreciation of right-of-use assets of \$1.07 million in 1H 2021, an increase of \$0.10 million or 10.2% from \$0.97 million in 1H 2020. The increase was due to the entering of a lease agreement by a China subsidiary subsequent to 1H 2020.

Depreciation of plant and equipment

Depreciation of plant and equipment decreased by \$0.59 million or 81.5% from \$0.72 million in 1H 2020 to \$0.13 million in 1H 2021. The decrease was due to there being no further depreciation of CellVec's plant and equipment in 1H 2021 following its full impairment in the financial year ended 31 December 2020.

Finance costs

Finance costs mainly related to unwinding of discount adjustment of loans to subsidiaries and lease liabilities. Finance costs increased by some \$0.01 million or 6.1% from \$0.21 million in 1H 2020 to \$0.23 million in 1H 2021 mainly due to the increase in finance costs on lease liabilities.

Other operating expenses

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

Other operating expenses decreased by \$0.11 million or 4.2% from \$2.56 million in 1H 2020 to \$2.45 million in 1H 2021. This decrease was mainly due to the lower expenses, such as professional and consultancy fees and laboratory consumable and services fees, incurred by the Group.

Performance Review (cont'd)

Share of results of associate

The Group's share of loss after tax of its associate, Hong Kong Integrated Oncology Centre Holdings Limited was \$0.13 million in 1H 2021. This was a decrease of \$0.82 million or 86.0% as compared to \$0.95 million in 1H 2020.

Share of results of joint venture

The Group's share of loss after tax of its joint venture, Sino-Singapore Hospital Management (Chongqing) Co., Ltd. was \$0.22 million in 1H 2021.

Income tax expense

Income tax expense decreased by \$0.10 million or 3.3% from \$2.89 million in 1H 2020 to \$2.79 million in 1H 2021 due to lower profits of its subsidiary, SCC, in 1H 2021. The effective tax rate for 1H 2021 was 22.3% as compared to 24.3% in 1H 2020.

Profit after tax

The Group recorded profit after tax of \$9.73 million in 1H 2021 as compared to \$9.01 million in 1H 2020, an increase of some \$0.73 million or 8.1%. This was mainly due to a decrease in employee benefits expense, share-based payments expense, depreciation of plant and equipment and share of loss of associate as well as lower income tax expenses, partially offset by a decrease in revenue, an increase in depreciation of right-of-use assets as well as share of loss of joint venture.

Review of the Group's Financial Position

Non-current assets

The Group's non-current assets comprised plant and equipment, right-of-use assets, investment in associate, investment in joint venture and prepaid operating expenses. Non-current assets decreased by some \$0.98 million which was attributable to the following:

- Decrease in right-of-use assets of \$1.04 million;
- Decrease in the carrying amount of investment in associate of \$0.13 million which arose from the share of loss for 1H 2021; and
- Decrease in the carrying amount of joint venture of \$0.09 million.

These were partially offset by the following:

- Increase in the carrying amount of plant and equipment of \$0.26 million; and
- Increase in prepaid operating expenses of \$0.01 million.

The Board wishes to inform shareholders that the Company had made additional investments amounting to \$2.40 million in aggregate in CellVec in January and May 2021. However, as a result of the adverse impact of COVID-19 on the cellular and gene therapy industry and the continued losses incurred by this segment, the Company had accordingly impaired its additional investments in CellVec and loan to CellVec in the half year ended 30 June 2021. The impairment losses of \$2.40 million and \$0.10 million in respect of the Company's additional investments in CellVec and loan to CellVec respectively have no impact on the Group's net profit for 1H 2021 and its financial position as at 30 June 2021.

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

Current assets

Current assets comprised inventories, prepaid operating expenses, trade and other receivables and cash and short-term deposits. Current assets decreased by some \$1.80 million which was attributable to the following:

- Decrease in trade and other receivables of \$3.23 million; and
- Decrease in prepaid operating expenses of \$0.12 million.

These were partially offset by the following:

- Increase in inventories of \$0.04 million; and
- Increase in cash and short-term deposits of \$1.52 million.

The decrease in trade and other receivables was mainly attributable to the decrease in revenue.

Current liabilities

Current liabilities comprised trade and other payables, other liabilities, lease liabilities and income tax payable. Current liabilities decreased by \$4.40 million which was attributable to the following:

- Decrease in other liabilities of \$0.82 million due to the decrease in bonus provision;
- Decrease in lease liabilities of \$0.63 million; and
- Decrease in income tax payable of \$3.17 million due to the income tax provision in respect of the half year ended 30 June 2021 offset by the payment of income tax for the financial year ended 31 December 2020.

These were partially offset by the increase in trade and other payables of \$0.22 million mainly due to higher trade payables.

Non-current liabilities

Non-current liabilities comprised other liabilities, lease liabilities and loans from non-controlling shareholder to subsidiaries. Non-current liabilities decreased by \$3.60 million mainly due to the following:

- Decrease in lease liabilities of \$0.45 million; and
- Decrease in loans from a non-controlling shareholder to subsidiaries of \$3.17 million due to the capitalisation of loans by a non-controlling shareholder to Stem Med⁽¹⁾.

These were partially offset by the increase in other liabilities of \$0.02 million.

Note:-

- (1) *The loans from the Company and from the non-controlling shareholder to Stem Med were capitalised in April 2021 based on their respective shareholdings. Consequently, there was no change in Stem Med's shareholdings from the capitalisation of loans.*

Equity attributable to owners of the Company

The increase was mainly attributable to contribution of capital in a subsidiary by non-controlling shareholder, capitalisation of loans from non-controlling shareholder to a subsidiary and profits earned during the period, offset by the final dividends paid to shareholders in respect of the financial year ended 31 December 2020.

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

Non-controlling interests

This related to the:-

- (i) 44.8%⁽¹⁾, 50.3%⁽²⁾ and 66.9%⁽³⁾ non-controlling interests' share in the net equity of Stem Med, Stem Med Indonesia Pte. Ltd. ("**SMI**") and DrSG Cellular Wellness Pte. Ltd. ("**DrSG**") respectively; and
- (ii) 40% non-controlling interests' share in the net equity of CellVec.

Note:-

- (1) *Due to the allotment and issuance of 988,016 ordinary shares by Stem Med to new shareholders in April 2021, the Company's shareholding in Stem Med decreased from 60% to 55.2% and consequently, the non-controlling interests increased from 40% to 44.8%.*
- (2) *Stem Med owns 90% of SMI. By virtue of the Company's 55.2% interest in Stem Med, the Company effectively owns 49.7% of SMI and the remaining 50.3% falls within the definition of non-controlling interests.*
- (3) *Stem Med owns 60% of DrSG. By virtue of the Company's 55.2% interest in Stem Med, the Company effectively owns 33.1% of DrSG and the remaining 66.9% falls within the definition of non-controlling interests. Stem Med and the other investment partner, A DrBrand Pte. Ltd., have mutually agreed to end their collaboration on 10 November 2020. As at the date of this announcement, DrSG is still in the process of being struck off.*

Review of the Group's Cash Flows

Operating activities

Net cash flows from operating activities amounted to \$11.31 million. This comprised operating cash flows before changes in working capital of \$14.53 million, net changes in working capital of \$2.69 million and interest received of \$0.17 million, less interest paid on lease liabilities of \$0.12 million and income tax paid of \$5.96 million.

The net decrease in working capital of \$2.69 million was mainly due to the following:

- Decrease in trade and other receivables of \$3.20 million;
- Decrease in prepaid operating expenses of \$0.11 million; and
- Increase in trade and other payables of \$0.22 million.

These were partially offset by the following:

- Increase in inventories of \$0.04 million; and
- Decrease in other liabilities of \$0.80 million.

Investing activities

Net cash flows used in investing activities of \$0.40 million was mainly attributable to the purchase of plant and equipment by the Group's subsidiaries in China.

Financing activities

Net cash flows used in financing activities amounted to \$9.39 million. This was attributable to the payment of final dividends of \$9.90 million to shareholders in respect of the financial year ended 31 December 2020 and the payment for principal portion of lease liabilities of \$1.09 million, partially offset by the proceeds of \$1.60 million from the issuance of shares by CellVec to its non-controlling shareholder.

Net increase in cash and cash equivalents

The above resulted in a net increase in cash and cash equivalents of \$1.52 million for 1H 2021. Cash and cash equivalents totalled \$80.95 million as at 30 June 2021.

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.

In Singapore, as a large number of our patients come from the Southeast Asian region, travel restrictions that have been put in place by the Singapore government to tackle the COVID-19 situation continue to affect our patient numbers at our centres. The adverse impact of COVID-19 on the cell and gene therapy industry has also led the Company to impair its investment in and loan to the subsidiary involved (please refer to Note 2 of the other information required by listing rule appendix 7C and Note 12 of the condensed interim financial statements above for more details).

In Hong Kong, while the COVID-19 situation is currently under control, travel restrictions continue to be in place and such measures have limited the number of foreign patients, particularly those from mainland China, to seek treatment at our Hong Kong centres. Nonetheless, our Hong Kong centres continue to focus on the local patients thus mitigating the negative impact from the loss of foreign patients.

The full extent of the COVID-19 situation on our operations in Singapore and Hong Kong for the financial year ending 31 December 2021 cannot be ascertained at this point.

The Company continues to monitor the COVID-19 situation closely and the Board will provide further updates as and when any material developments arise.

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 2021 as follows:

| | |
|------------------|----------------------------|
| Name of dividend | Interim dividend |
| Dividend type | Cash |
| Dividend rate | \$0.007 per ordinary share |
| Tax rate | Tax exempt (one-tier) |

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

No.

(c) The date the dividend is payable

Dividend will be paid on 20 August 2021.

(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 12 August 2021 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 2021.

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 7H.

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 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ang Peng Tiam
Chief Executive Officer
3 August 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581. Telephone number: (65) 6415 9886