TALKMED GROUP

ANNUAL REPORT 2013

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CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr S. Chandra Das
(Non-Executive Chairman and Independent Director)

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

Dr Khoo Kei Siong
(Executive Director and Chief Operating Officer)

Mr Sitoh Yih Pin
(Independent Director)

Mr Dan Yock Hian
(Independent Director)

Mr Lim Jen Howe
(Non-Executive Director)

Mr Lim Teong Jin George
(Non-Executive Director)

AUDIT COMMITTEE
Mr Sitoh Yih Pin (Chairman)
Mr Dan Yock Hian
Mr Lim Jen Howe

REMUNERATION COMMITTEE
Mr S. Chandra Das (Chairman)
Mr Sitoh Yih Pin
Mr Lim Teong Jin George

NOMINATING COMMITTEE
Mr S. Chandra Das (Chairman)
Dr Ang Peng Tiam
Mr Dan Yock Hian

COMPANY SECRETARIES
Mr Lee Wei Hsiung
Ms Pan Mi Keay

REGISTERED OFFICE
101 Thomson Road
#09-02 United Square
Singapore 307591

PRINCIPAL PLACE OF BUSINESS
3 Mount Elizabeth
#13-16/17 Mount Elizabeth Hospital
Singapore 228510

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

SPONSOR
Hong Leong Finance Limited
16 Raffles Quay
#01-05 Hong Leong Building
Singapore 048581

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

(Partner-in-charge:
Tan Peck Yen
Chartered Accountant,
a member of the Institute of
Singapore Chartered Accountants)

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

CORPORATE PROFILE

TalkMed Group Limited ("TalkMed") was incorporated on 10 September 2013, and is the holding company of the wholly-owned operating subsidiary, Singapore Cancer Centre Pte. Ltd. ("SCC"). The company has its origins in Haematology and Cancer Centre Pte. Ltd. ("HCC") which was founded by the present CEO Dr Ang Peng Tiam in 1997. In 2006, HCC together with a few other medical practices merged to form SCC to provide multidisciplinary care and develop ancillary support services for cancer patients. SCC commenced operations in November 2006 and operates under the Parkway Cancer Centre ("PCC") brand name through a contractual arrangement between SCC and Parkway Hospitals Singapore Pte. Ltd. ("PHS").

The company's principal activity is the provision of medical oncology services. Our doctors provide tertiary healthcare services in the fields of medical oncology and palliative care to the oncology patients in the private sector in Singapore through PCC. The company's clinical functions include attending to patients, examination and administering medical treatment to patients and performing minor outpatient surgical procedures, prescribing medicines and investigations such as laboratory tests or diagnostic procedures. These clinical functions also include the review of investigation results and follow-up care with the patient.

We currently provide medical oncology services and palliative care services with 12 doctors at seven clinics in Gleneagles Hospital Singapore, Mount Elizabeth Hospital Singapore, Mount Elizabeth Medical Centre and Mouth Elizabeth Novena Specialist Centre Singapore, which are hospitals operated by PHS. We have established ourselves as one of the market leaders in medical tourism in Singapore with foreign patients accounting for more than 60% of our patient-load in the past few years.

TalkMed was listed on the Singapore Exchange – Catalist board on 30 January 2014.

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

2014 marks our transformation into a public company listed on the Official List of the Catalist of the Singapore Stock Exchange. In this first Annual Report of TalkMed Group Limited, I am happy to report that in the financial year ended 31 December 2013, our revenue grew 8.5% year-on-year to S$56.3 million. The higher revenue came despite a 0.5% dip in the total number of patient visits, reflecting that the case-mix of patients are of higher intensity.

At the same time, however, our expenses have increased. Employee benefits, comprising mainly remuneration for doctors, nurses and support staff were up 39.0% to support our expanded business activities. Operating lease expenses increased 27.9% due to new leases of clinics and corporate office. Other operating expenses comprising accounting, professional and legal fees and other admin costs almost doubled as we started our preparation for the IPO. As a result of the higher expenses, our profit attributable to shareholders decreased by 11.8% to S$28.2 million.

We have raised approximately S$17.2 million from the IPO after paying for the listing expenses. About 60% of the net IPO proceeds will be used mainly for expanding repertoire of our talent pool and healthcare services and the remaining proceeds for overseas expansion and improving the quality of our medical services.

Our present business is a highly specialized medical service, namely, medical oncology services. We do not presently provide any primary or secondary healthcare. We plan to explore opportunities to expand our repertoire to include the provision of primary and secondary healthcare services. We intend to be a more integrated medical service provider, covering the entire value chain of the healthcare industry. This will open opportunities to our core oncology services through more referrals.

Apart from growing our business within Singapore, we are ready to explore growth opportunities overseas. To do so, we intend to strengthen our brand through establishing specialist cancer clinics as well as other state-of-the-art medical facilities in key overseas cities of suitable markets.

Singapore is an established regional medical hub and attracts many overseas patients every year. Notwithstanding uncertainty in the regional economies, the demand for specialist medical oncology and haematology healthcare services is expected to remain strong.

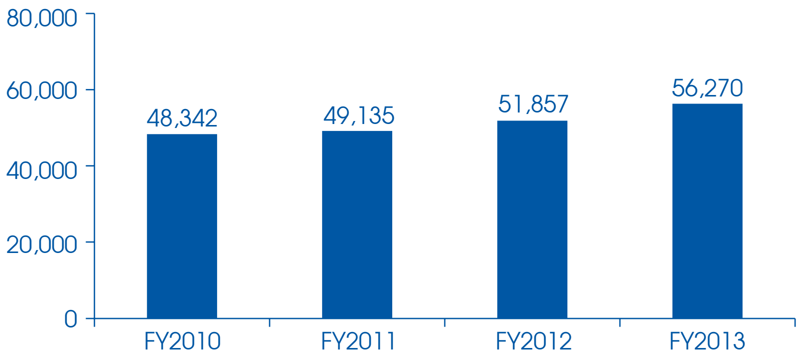
We will do our best for every patient – offering each the best treatment options and remembering to treat all with understanding and compassion.

On behalf of the Board, I wish to convey our appreciation to our staff and business associates. I look forward to working together with this strong and extraordinarily gifted team.

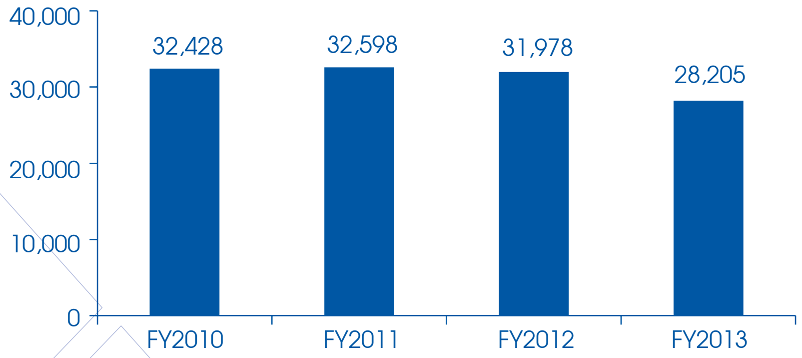
S. Chandra Das
Chairman

FINANCIAL & OPERATIONS HIGHLIGHTS

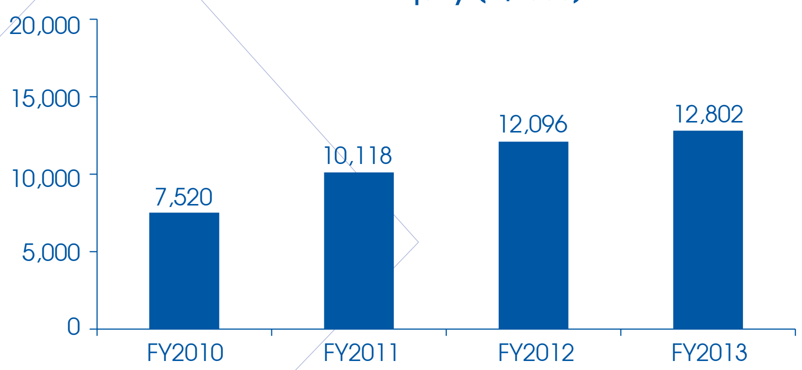
Revenue (S$'000)



Profit Attributable to Shareholders (S$'000)



Total Equity (S$'000)



Number of Clinics

	FY2010	FY2011	FY2012	FY2013
Number of Clinics	6	6	7	7

Number of Doctors

	FY2010	FY2011	FY2012	FY2013
Number of Doctors	8	8	8	12

BOARD OF DIRECTORS

MR S. CHANDRA DAS, 74

Non-Executive Chairman and Independent Director

Mr S. Chandra Das joined the board as Non-Executive Director and Chairman in 2013. He is also the Chairman of our Remuneration Committee and Chairman of our Nominating Committee. He is currently the Managing Director of NUR Investment & Trading Pte Ltd. He also sits on the Boards of Yeo Hiap Seng Limited, Super Group Ltd and Ascott Residence Trust Management Limited. Currently, he is Singapore's Non-Resident Ambassador to Turkey and Pro-Chancellor at Nanyang Technological University.

Mr Das was the Chairman of the Trade Development Board from 1983 to 1986 and Chairman of NTUC Fairprice from 1993-2005. He served as a Member of Parliament from 1980 to 1996.

He graduated from the then University of Singapore (now known as the National University of Singapore) in 1965 with a Bachelor of Arts (Hons) in Economics and holds a Certificate-in-Education from the former Singapore Teachers' Training College.

Mr Das has won several awards and accolades in his career including the Distinguished Service Award in 2001 and the Distinguished Service (Star) Award in 2005, both awarded by the National Trades Union Congress. He was also conferred Honorary Doctorates by University of Newcastle, Australia and by St John's University, New York, in 2005.

DR ANG PENG TIAM, 55

Executive Director and Chief Executive Officer (CEO)

Dr Ang Peng Tiam is our Executive Director and CEO and he was appointed to our Board on 10 September 2013. He is a member of the Nominating Committee. Dr Ang provides the vision and the strategic direction for our Group. Dr Ang is currently Medical Director and Senior Consultant of Parkway Cancer Centre at Mount Elizabeth Hospital, where he provides the clinical and operational leadership in the provision of care and treatment for cancer patients.

From 1991 to 1997, Dr Ang was the Founding Head of Department of Medical Oncology at Singapore General Hospital, Singapore's oldest and largest tertiary acute hospital and national referral center. He held a concurrent post of Clinical Associate Professor of Medicine from National University of Medicine from 1996. He began his training in Medical Oncology at Singapore General Hospital in 1986 and continued his training as a fellow in Medical Oncology at the University of Texas, MD Anderson Cancer Centre in Houston, Texas in 1989 and at the Division of Oncology at Stanford University in Palo Alto, California in 1989. Dr Ang started his career as an Internal Medicine Resident in the National University Hospital after serving as Medical Staff Officer at the Medical Services Headquarters in the Singapore Armed Forces.

Dr Ang holds a Bachelors of Medicine and Surgery from the University of Singapore and a Master of Medicine (Internal Medicine) from the National University of Singapore. He also holds a Certificate of Specialist Accreditation in Medical Oncology from the Ministry of Health (Singapore). Dr. Ang holds fellowships in many institutions. He is a fellow

BOARD OF DIRECTORS

of the Academy of Medicine (Singapore), the American College of Physicians (USA), the Royal College of Physicians (Edinburgh) and the Royal College of Physicians (London).

Dr Ang's academic achievements include President's Scholarship (1977), Prof Sir Gordon Arthur Ransome Gold Medal (1986), and National Science Award (1996).

DR KHOO KEI SIONG, 52

Executive Director and
Chief Operating Officer (COO)

Dr Khoo Kei Siong is our Executive Director and COO and was appointed to our Board on 10 September 2013. Dr Khoo is currently the Deputy Medical Director and Senior Consultant of Parkway Cancer Centre at Gleneagles Hospital, where he provides the clinical and operational leadership in the provision of care and treatment for cancer patients.

From 1999 to 2004, Dr Khoo was a Senior Consultant at the National Cancer Centre, one of the leading regional centres for the research and treatment of cancer. During his tenure, he held senior management positions including the Director of the Division of Clinical Trials and Epidemiological Sciences (1999 to 2002) and Head of the Department of Medical Oncology (2001 to 2004). He started his career as a resident in Singapore General Hospital (SGH) in 1989. After attaining his postgraduate qualification in internal medicine, he pursued further training in medical oncology in SGH and the Memorial Sloan-Kettering Cancer Center in New York.

Dr Khoo holds a Bachelor of Medicine and Surgery from the University of Singapore and a Master of Medicine (Internal Medicine) from the National University of Singapore. He also holds a Certificate of Specialist Accreditation in Medical Oncology from the Ministry of Health (Singapore). He is a Fellow of the Academy of Medicine, Singapore and the Royal College of Physicians (Edinburgh), as well as member of the American Society of Clinical Oncology, and the European Society of Medical Oncology. In addition, he is a Council Member of the Asian Clinical Oncology Society and a Council Member of the Academy of Medicine Singapore. Dr Khoo sits on the Medical Board of Eu Yan Sang Integrative Health as Chairman and is Deputy Chairman of the Medicine Advisory Committee of the Health Sciences Authority.

MR SITOH YIH PIN, 50

Independent Director

Mr Sitoh was appointed as an Independent Director of the Company on 23 December 2013. He serves as Chairman of the Audit Committee and is also a member of the Remuneration Committee. Mr Sitoh does not hold any shares in the Company or any of its subsidiaries.

Mr Sitoh is a Chartered Accountant and a director of Nexia TS Public Accounting Corporation. Mr Sitoh is the Member of Parliament for Potong Pasir constituency. He is also presently a director of several publicly listed companies comprising Allied Technologies Limited, Lian Beng Group Ltd and United Food Holdings Limited.

Mr Sitoh was also the director of several publicly listed companies in the preceding 5 years including Chinasing Investment Holdings Limited, Meiban Group Pte Ltd, Nera Telecommunications Ltd and PNE Micron Holdings Ltd. Mr Sitoh holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and is a Fellow member of both the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in Australia.

BOARD OF DIRECTORS

MR DAN YOCK HIAN, 47

Independent Director

Mr Dan was appointed to our Board as an Independent Director of the Company on 23 December 2013. He is a member of our Audit Committee and Nominating Committee. Mr Dan runs DYH Associates, where he is a consultant in providing corporate advisory services. He was a Senior Director at nTan Corporate Advisory Pte. Ltd., a boutique corporate finance and corporate restructuring firm, from 2001 to 2009 and became its consultant from 2010 to 2012. Prior to that, he was a Senior Manager at Deloitte & Touche, one of the Big Four multinational professional services firms, from 1998 to 2001. Mr Dan started his career in PriceWaterhouse, another multinational professional services firm belonging to the Big Four, from 1990 to 1998.

Mr Dan holds a Bachelor of Accountancy degree from the National University of Singapore. He is a member of the Institute of Chartered Accountants in Australia and the Institute of Singapore Chartered Accountants. In addition, he has been a Council Member of HCA Hospice Care since August 2013.

MR LIM JEN HOWE, 60

Non-Executive Director

Mr Lim Jen Howe is a Non-Executive Director and was appointed to our Board on 23 December 2013. He is a member of the Audit Committee.

Mr Lim has more than 35 years of experience in finance and accounting. He has been a practicing Public Accountant for more than 25 years and is a founding partner of Thong & Lim, Chartered Accountants of Singapore. Mr Lim holds a Master of Science from London Business School, and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants of Singapore. He is also an independent director of ABR Holdings Limited and Caregivers Alliance Limited.

MR LIM TEONG JIN GEORGE, 58

Non-Executive Director

Mr Lim Teong Jin George is our Non-Executive Director and was appointed to our Board on 23 December 2013. He is a member of the Remuneration Committee. Mr George Lim is a Senior Counsel, and currently a partner of Wee Tay & Lim LLP, a law firm based in Singapore, which he joined in 1987. From 1985 to 1987, Mr Lim worked as a legal assistant for Chan Cher Boon & Partners. Prior to that, he was with Drew & Napier as a legal assistant.

Mr Lim graduated from the National University of Singapore with a Bachelor of Laws. He was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1982. Mr Lim was appointed Senior Counsel on 9 January 2010. Mr Lim is a certified Mediator with the Centre for Effective Dispute Resolution (CEDR), Singapore Mediation Centre (SMC) and International Mediation Institute (IMI). He is a Fellow of the Singapore Institute of Arbitrators and sits on the Boards of the Singapore Institute of Legal Education, the Singapore Mediation Centre and the International Mediation Institute. Mr Lim also serves as a Board member of the Singapore Land Authority.

KEY MANAGEMENT/ EXECUTIVE OFFICERS

Our Executive Officers comprise our Executive Directors, Dr Ang and Dr Khoo, and our Chief Financial Officer (CFO), Mr Quek Hiong How. The particulars of Dr Ang and Dr Khoo are set out in the "Board of Directors" section.

MR QUEK HIONG HOW

Chief Financial Officer (CFO)

Mr Quek Hiong How is our CFO and is responsible for overseeing the finance and accounting functions of our Group. He was the finance director of Boustead Projects Pte Ltd from October 2005 to July 2009, a subsidiary of Boustead Singapore Limited (an SGX-ST Main Board company) as well as the chief financial officer of Informatics Holdings Ltd (currently known as Informatics Education Ltd.) from October 2003 to September 2005. Mr Quek was the chief financial officer for Keppel Communications and Transportation Ltd from February 2000 to June 2003. Mr Quek was also the Vice President (Finance and Administration) for the then-Television Corporation of Singapore Pte Ltd from 1993 to 2000. Mr Quek is a member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore) and a fellow of the Association of Chartered and Certified Accountants, United Kingdom.

CORPORATE GOVERNANCE

TalkMed Group Limited (the "Company") and its subsidiary (the Group) are committed to maintaining a high standard of corporate governance in complying with the Code of Corporate Governance. The Group has complied with all principles and guidelines set out in the Code of Corporate Governance.

This report describes the Group's corporate governance practices that were in place throughout the financial year ended 31 December 2013 (FY2013).

A. BOARD MATTERS

Principle 1 – The Board's Conduct of its Affairs

The primary function of the Board of Directors (the Board) is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, and corporate governance practices.

In addition, the principal duties of the Board include:

- Setting the Group's strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Overseeing the process for evaluating the adequacy of internal control, risk management, financial reporting and compliance.
- Appointing the Group CEO and approving the remuneration policies and guidelines for the Board and senior management.
- Reviewing the performance of senior management and overseeing succession planning for senior management.
- Setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.
- Considering sustainability issues, e.g., environmental and social factors, as part of the strategic formulation.

Delegation by the Board

The Board has delegated certain functions to various board committees, namely the Audit Committee (AC), Nominating Committee (NC) and Remuneration Committee (RC). Each of the various board committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these various committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

CORPORATE GOVERNANCE

Key features of board processes

The dates of Board and board committee meetings as well as the annual general meeting (AGM) are scheduled one year in advance. To assist directors in planning their attendance, the Company Secretary consults every director before fixing the dates of these meetings. The Board meets at least four times a year and as warranted by particular circumstances. Ad hoc meetings are also convened to deliberate on urgent substantive matters. Telephonic attendance and conference via audio-visual communication at Board and board committee meetings are allowed under the Company's Articles of Association.

As the Company was listed on 30 January 2014, no meeting was held in FY2013.

Board approval

The Group has adopted and documented internal guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines are listed below:

- Strategies and objectives of the group;
- Annual budgets and business plan;
- Announcements of quarterly and full year results and release of annual reports;
- Issuance of shares;
- Declaration of interim dividends and proposal of final dividends:
- Convening shareholders' meetings;
- Investment, divestment or capital expenditure exceeding $1 million;
- Commitments to term loans and lines of credit from banks and financial institutions; and
- Interested person transactions.

Induction and training of directors

The Group conducts a comprehensive orientation programme, which is presented by the CEO and senior management, to familiarise new directors with business and governance policies. The orientation programme gives directors an understanding of the Group's businesses to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management.

Briefings, updates and trainings provided for directors in FY2013

The Board is regularly briefed on recent changes to the accounting standards and regulatory updates. The CEO updates the Board at each meeting on business and strategic developments of the Group.

The particulars of training programmes attended by the directors, as arranged and funded by the company during FY2013 are as follows:

- One-day "Listed Company Director Essentials – Understanding the Regulatory Environment in Singapore: What Every Company Director Ought to Know" organised by the Singapore Institute of Directors.

CORPORATE GOVERNANCE

Principle 2 – Board Composition and Balance

Board size and board composition

The Board comprises seven directors. Excluding the CEO and COO, all directors are non-executive, including the Chairman.

The NC reviews the size and composition of the Board and the board committees and the skill and core competencies of its members to ensure an appropriate balance of skills and experience. These competencies include banking, accounting and finance, business acumen, management experience, industry knowledge, familiarity with regulatory requirements and knowledge of risk management. The board considers that its directors possess the necessary competencies and knowledge to lead and govern the Group effectively.

The Board believes that the current composition and size provides sufficient diversity without interfering with efficient decision making, The directors' academic and professional qualifications are presented in pages 5 to 7 of the annual report.

Directors' independence review

Any director who has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interest of the Group, is considered to be independent.

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a director is independent, bearing in mind the Guidelines set forth in the Code of Corporate Governance and any other salient factor which would render a director to be deemed not independent. For the purpose of determining directors' independence, every director has provided declaration of their independence that is deliberated upon by the NC and the Board.

The independent directors make up more than a third of the Board, which exceeds the requirements set out in the Code of Corporate Governance. This provides a strong and independent element on the Board. This is fundamental to good corporate governance as it ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Role of the non-executive directors

The Board and management fully appreciate that in an effective and robust Board, whose members engage in open and constructive debate, and challenge management on its assumptions and proposals, is fundamental to good corporate governance.

A Board should also aid in the development of strategic proposals and oversee effective implementation by management to achieve set objectives.

CORPORATE GOVERNANCE

For this to happen, the board and non-executive directors (NEDs), in particular, must be kept well informed of the Group's businesses and be knowledgeable about the industry the Group operates in.

To ensure that NEDs are well supported by accurate, complete and timely information, NEDs have unrestricted access to management.

Principle 3 – Chairman and Chief Executive Officer

The Chairman and CEO functions in the Company are assumed by different individuals. The Chairman, Mr S. Chandra Das, is an independent non-executive director, while the CEO, Dr Ang Peng Tiam, is an Executive Director.

There is clear division of responsibilities between the Chairman and CEO, which ensures a balance of power and authority at the top of the Company.

The Chairman:

- Is responsible for leadership of the Board and is pivotal in creating the conditions for overall effectiveness of the Board, board committees and individual directors.
- Takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretary and management.
- Approves agendas for the Board meeting and ensures sufficient allocation of time for thorough discussion of agenda items.
- Promotes an open environment for debates and ensures NEDs are able to speak freely and contribute effectively.
- Exercises control over the quality, quantity and timeliness of information flow between the Board and management.
- Provides close oversight, guidance, advice and leadership to the CEO and management.
- Plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management at AGMs and other shareholder meetings.

The CEO is the highest ranking executive officer of the Group. The CEO is responsible for:

- Running the day-to-day business of the Group, within the authorities delegated to him by the Board.
- Ensuring the implementation of policies and strategy across the Group as set by the Board.
- Day-to-day management of the executive and senior management team.
- Leading the development of senior management within the Group with the aim of assessing the training and development of suitable individuals for future director roles.

- Ensuring that the Chairman is kept appraised in a timely manner of issues faced by the Group and of any important events and developments.
- Leading the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

Principle 4 – Board Membership

The NC comprises three members, two of whom are Independent Directors and one Executive Director:

- S. Chandra Das (NC Chairman)
- Dr Ang Peng Tiam
- Dan Yock Hian

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments (including alternate directors, if applicable). The key terms of reference of the NC include the following:

- reviewing and recommending the nomination or re-nomination of our Directors and key executives, having regard to their contribution and performance;
- determining on an annual basis whether or not a Director or key executive is independent;
- assessing the performance of the Board and key executives and contribution of each Director to the effectiveness of the Board;
- assessing, in respect of a Director who has multiple board representations on various companies, deciding whether or not such Director is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards;
- reviewing and approving any new employment of related persons and the proposed terms of their employment;
- reviewing the suitability and appointment of the CFO, based on feedback from our AC;
- recommending a framework for the evaluation of the Board's and individual Director's performance for the approval of the Board.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

CORPORATE GOVERNANCE

Key Information on Board of Directors

Key information on the Directors is set out on pages 5 to 7.

The NC has reviewed the current number of directorships held by each of the directors and is of the view that they do not adversely affect the ability of the directors to contribute effectively to the Board.

Principle 5 – Board Performance

The Board has implemented a process carried out by the NC for assessing the effectiveness of the board as a whole, effectiveness of its board committees and the contribution by each individual director to the effectiveness of the Board on an annual basis.

Board performance criteria

The performance criteria for the board evaluation are as follows:

- Board size and composition
- Board independence
- Board processes
- Board information and accountability
- Board performance in relation to discharging its principal functions
- Board committee performance in relation to discharging their responsibilities set out in their respective terms of reference

Individual director's performance criteria

The individual director's performance criteria are categorised into five segments; namely,

- Interactive skills (whether the director works well with other directors and participates actively)
- Knowledge (the director's industry and business knowledge, functional expertise, whether the director provides valuable inputs, the director's ability to analyse, communicate and contribute to the productivity of meetings, and understanding of finance and accounts, are taken into consideration)
- Director's duties (the director's board committee work contribution, whether the director takes his role as director seriously and works to further improve his own performance, whether he listens and discusses objectively and exercises independent judgment, and meeting preparation are taken into account)
- Availability (the director's attendance at Board and board committee meetings, whether the director is available when needed, and his informal contribution via email, telephone, written notes, etc are considered)
- Overall contribution, bearing in mind that each director was appointed for his strength in certain areas which taken together provides the Board with the required mix of skills and competencies.

The assessment of the Chairman of the Board is based on his ability to lead, whether he has:

- Established proper procedures to ensure the effective functioning of the Board
- Ensured that the time devoted to board meetings was adequate (in terms of number of meetings held a year and duration of each meeting) for effective discussion and decision-making by the Board
- Ensured that information provided to the Board was adequate (in terms of adequacy and timeliness) for the Board to make informed and considered decisions
- Guided discussions effectively so that there was timely resolution of issues
- Ensured that meetings were conducted in a manner that facilitated open communication and meaningful participation
- Ensured that board committees were formed where appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities

The performance of individual directors is taken into account in their re-appointment. Specific needs which arise from time to time are taken into account in any appointment of new directors.

Principle 6 – Access to Information

The Directors are updated regularly on corporate governance, changes in listing rules and regulations and performance of the Group. The Directors have separate and independent access to the senior management, including the Company Secretary of the Group, at all times. The Company Secretary attends most of the board meetings and is responsible to the Board for advising on the implementation of the Group's compliance requirement pursuant to the relevant statutes and regulations. The appointment and removal of the Company Secretary is subject to approval of the Board.

The Directors, either individually or as a group, in the furtherance of their duties, can take independent professional advice, if necessary, at Company's expense.

The Company makes available to all Directors its quarterly and full-year management accounts and where required, other financial information, budgets and forecasts and other relevant information as necessary. Detailed reports and board papers are sent out to the Directors before the meetings so that the Board can have a proper understanding of the issues. With regard to budgets whereby material variances exist between the actual and forecasted numbers, they are reviewed by the Board as well as disclosed and explained by management, where required by the Board.

CORPORATE GOVERNANCE

B. REMUNERATION MATTERS

Principle 7 – Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC"), comprises three members, two of whom are Independent Directors.

S. Chandra Das (Chairman)
Sitoh Yih Pin
Lim Teong Jin George

The RC reviews and recommends to the Board, in consultation with management, a general framework of remuneration for management and key management personnel in the Group.

The terms of reference of the RC include the following:

- Reviewing and recommending to the Board a general framework of remuneration for key management personnel and for the Board
- Seek expert advice inside and/or outside the Company on remuneration of key management personnel and directors
- Review and ensure that the level and structure of remuneration are aligned with the long term interest and risks policies of the Company
- To structure a significant and appropriate proportion of executive directors' and key management personnel's remuneration so as to link rewards to corporate and individual performance
- To review and ensure that the remuneration of non-executive directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors

Principle 8 – Level and Mix of Remuneration

The RC is responsible for reviewing and approving specific remuneration packages and terms of employment of Directors and employees related to Executive Directors and controlling shareholders of the Company. The RC also reviews the adequacy and form of remuneration for Directors to ensure that their compensation is commensurate with the responsibilities and risks involved in being a Director and that the remuneration packages are comparable within the industry. In case of service contracts, there is a fixed appointment period for all directors, after which they are subject to re-election. No Director or member of the RC shall be involved in deciding his own remuneration.

The RC may seek expert advice inside and/or outside of the Company on remuneration of Directors and staff. It ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The independent and non-executive directors do not have any service agreements with the Company. Save for directors' fees, which have to be approved by the shareholders at every AGM, the independent and non-executive directors do not receive any remuneration from the Company.

Principle 9 – Disclosure on Remuneration

The remuneration of Directors and the top 5 key management personnel of the Company for the year ended 31 December 2013 are set out below:

Name of Director	Band	Fees	Salary (4)	Bonus (4)	Others	Total
Directors						
S. Chandra Das	–	–	–	–	–	–
Dr Ang Peng Tiam (CEO)	3(3)	–	100%	–	–	100%
Dr Khoo Kei Siong (COO)	1(1)	–	100%	–	–	100%
Sitoh Yih Pin	–	–	–	–	–	–
Dan Yock Hian	–	–	–	–	–	–
Lim Jen Howe	–	–	–	–	–	–
Lim Teong Jin George	–	–	–	–	–	–
5 top key management personnel						
Quek Hiong How	1(1)	–	59%	41%	–	100%
Dr Foo Kian Fong	3(3)	–	34%	66%	–	100%
Dr See Hui Ti	3(3)	–	34%	66%	–	100%
Dr Kho Sunn Sunn	3(3)	–	43%	57%	–	100%
Dr Zee Ying Kiat	3(3)	–	60%	40%	–	100%

Notes:

(1) Band 1 means remuneration of between S$0 to S$250,000 per annum

(2) Band 2 means remuneration of between S$250,001 to S$500,000 per annum

(3) Band 3 means remuneration of S$500,001 per annum and above

(4) Salaries and bonuses include employer contributions to the Central Provident Fund

The Board is of the view that it is not in the interest of the Company to disclose in full the remuneration of each individual Director, the CEO and the top five key management personnel (who are not Directors) of the Company on a named basis due to the sensitive and confidential nature of such information and disadvantages that this might bring. Instead, the Board has decided to disclose in bands of S$250,000, as shown above.

There is no termination, retirement and post-employment benefits granted to Directors, the CEO and the top five key management personnel.

CORPORATE GOVERNANCE

In the financial year ended 31 December 2013, the Group has no employee whose annual remuneration exceeds S$50,000 who is related to any Director.

As at 31 December 2013, the Company does not have an employee share option plan.

C. ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

The Board is collectively responsible for the success of the Company and works with management to achieve this. The Company reports its results once every three months.

Through these reports, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's financial performance, position and prospects.

Management provides all members of the Board sufficient and timely information on its financial performance and potential issues before all Board meetings.

In line with continuous disclosure obligations of the Company and in accordance to the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("the Catalist Rules") and the Companies Act, the Board adopts a policy whereby shareholders shall be informed of all major developments of the Company.

Financial information and other price sensitive information are circulated in a timely manner to the shareholders through announcements via SGXNET, press releases, the Company's website, media and analysts' briefings. The Company's corporate information as well as annual reports is also available on the Company's website.

Management makes available to all Directors its quarterly and full-year management accounts and where required, such other necessary financial information for other periods if applicable.

Principle 11 – Risk Management and Internal Controls

The Company does not have a Risk Management Committee. The Board is overall responsible for the governance of risk with the Group. It ensures that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and determines the nature and extent of the significant risks that the Board is willing to take in achieving its strategic business objectives.

The Group has engaged HLS Risk Advisory Services Pte Ltd (HLS), the internal auditor, to conduct a review of the Group's operations and business in 2014 to identify and assess risks relevant to the Group with the objective of mitigating the risks, and allocating the Group's resources to create and preserve value aligned to the Group's strategy. HLS will perform a facilitator role in the risk assessment process and will assist the Group in implementing its risk management processes in 2014.

The internal auditors have conducted annual review of the effectiveness of the Group's key internal controls, including financial, operational and compliance controls and risk management. Any material non-compliance or lapses in internal controls and recommendation for improvement are reported to the AC. All required corrective, preventive or measures for improvement are closely monitored. At least once a year the internal auditors review their findings and follow up actions taken by management with the AC and the Board.

In compliance with Rule 1204(10), the Board with the concurrence of the AC is of the opinion that the Company has a robust and effective internal control system. The system is adequate to address the financial, operational, compliance and information technology risks, based on the internal controls established and maintained by the Group and reports from the internal auditor's and external auditor's report on the financial statements and management letter.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The Board had received assurance from the CEO and Quek Hiong How (who performs the role of a CFO) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and regarding the effectiveness of the Group's internal control systems.

Principle 12 – Audit Committee

The Audit Committee ("AC"), comprises three members who have accounting or related financial expertise or experience to discharge the responsibilities. It comprises of two Independent Directors and one Non-Executive director.

Sitoh Yih Pin (Chairman)
Dan Yock Hian
Lim Jen Howe

The duties of the AC shall be:

a) to review with the external auditors their audit plan, audit report, management letter and management's response.

b) to review the quarterly and annual financial statements on significant financial reporting issues and judgments before submission to the Board for approval.

c) to review any announcements relating to the Company's financial performance.

d) to discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the external auditors.

CORPORATE GOVERNANCE

e) to meet with the external auditors without the presence of Management, at least annually, to discuss any problems and concerns they may have.

f) to review the assistance given by management to external auditors.

g) to review and evaluate the adequacy of the Company's internal controls systems by reviewing reports from internal auditors and management letter from the external auditors.

h) to review the effectiveness of the Company's internal audit function.

i) to review annually the scope and results of the audit and its cost-effectiveness as well as the independence and objectivity of the external auditors.

j) to review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters within its terms of reference. The AC will lead in all queries as may be raised by the staff of the Group. The AC will have full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings. The AC also has reasonable resources to enable it to discharge its functions properly.

   The Group has put in place a whistle blowing policy, reviewed and endorsed by the AC, where the employees can, in confidence, raise concerns about improper conduct for investigation.

k) to report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

l) to review interested person transactions (IPTs) falling within the scope of the Catalist Rules.

m) to undertake such other reviews and projects as may be requested by the Board.

n) to consider the appointment/re-appointment of external auditors, the audit fee and matters relating to the resignation or dismissal of auditors.

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that management creates and maintains an effective control environment. The AC provides a channel of communication between the Board, management, and the internal and external auditors on audit matters.

Changes to accounting standards and issues which have a direct impact on financial statements will be highlighted to the AC from time to time by the external auditors. The external auditors work with management to ensure that the Group complies with the new accounting standards, if applicable.

Ernst & Young LLP (EY) was appointed as the Group's external auditors to audit the accounts of the Company and its subsidiary. The AC has reviewed the independence and objectivity of the external auditors and also the scope and value of the non-audit services. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The non-audit services rendered by the Group's external auditors during FY2013 were related to tax fees of S$12,000. The AC has recommended to the Board the nomination of EY for reappointment as auditors of the Company at the forthcoming AGM.

The Group has also complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

Principle 13 – Internal Audit

During the financial year, the Group appointed HLS Risk Advisory Services Pte Ltd (HLS), a firm that specialises in audit, risk and control consultancy, to conduct an internal audit of the Group. HLS has unfettered access to all the Group's documents, records, properties and personnel.

The main objective of the internal audit function is to assist the Group in evaluating and assessing the effectiveness of internal controls, and to highlight the areas where control weaknesses exist, if any. The Group continues to work with HLS to identify other area of work that will further enhance the robustness of the internal control processes of the Group.

HLS carried out its work in accordance with the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the adequacy and effectiveness of the internal audit function at least annually and ensured that it is adequately resourced and has appropriate standing within the Company.

The AC approves the hiring, removal, evaluation and compensation of HLS.

D. SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

Principle 14, 15 & 16 -Shareholder Rights And Responsibilities

The Board is committed to being open and transparent in the conduct of the Company's affairs, while preserving the commercial interests of the Company. The Board is mindful of its obligations to provide timely and fair disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST. Financial Results, annual reports and other material information are released via SGXNET.

Shareholders are informed of shareholders' meeting through notices published in the newspapers and reports or circulars sent to all shareholders.

CORPORATE GOVERNANCE

At general meetings, shareholders are given the opportunity to express their views and ask questions regarding the Group and its businesses. The Articles allow a shareholder to appoint one or two proxies to attend and vote instead of the shareholder. The Articles contain provision for any shareholder to vote in absentia.

The Company is in full support of shareholder participation at AGMs. For those who hold their shares through nominee or custodial services, they are allowed, upon prior request through their nominee, to attend the AGM as observers without being constrained by the two-proxy rule.

Each item of special business in the notices of the shareholders' general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each distinct issue. All minutes of general meetings are available to shareholders upon request.

Due to the high cost of electronic polling and relatively small number of shareholders who turn up for the general meetings, the voting process of the Company is done via a show of hands unless a poll is demanded.

All directors, including the Chairman of the AC, RC and NC are in attendance at the general meeting to allow shareholders the opportunity to air their views and ask directors questions regarding the Group. In addition, external auditors are also invited to attend the Annual General Meetings to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditor's report.

SECURITIES TRANSACTIONS

In compliance with Rule 1204(19), the Company has issued a policy to its Directors and key officers that there must be no dealings in the securities of the Company two weeks before the release of the quarterly financial results and one month before the release of the full-year financial results, or when they are in possession of unpublished material price-sensitive information.

An internal memorandum was circulated informing all persons covered by the policy that they are prohibited from dealing in the securities of the Company during the 'closed window' period until after the release of the results. The Company's internal memorandum includes the clause whereby an officer of the Company is prohibited to deal in the Company's securities on short-term considerations.

In view of the process in place, the Board is of the opinion that the Company has complied with the principal corporate governance recommendations.

MATERIAL CONTRACTS

No material contracts of the Company and its subsidiary involving the interest of the CEO or any Director or controlling Shareholder subsisted at the end of the financial year or had been entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

Saved as disclosed in pages 115 to 118 of the Offer Document dated 17 January 2014, there were no other Interested Person Transactions of S$100,000 and above for the financial year ended 31 December 2013.

The Group has not obtained a general mandate from its shareholders for Interested Person Transactions.

NON-SPONSOR FEES

During the financial year, there were no non-sponsor fees paid to the Company's Sponsor, Hong Leong Finance Limited.

USE OF INITIAL PUBLIC OFFERING ("IPO") PROCEEDS

Subsequent to 31 December 2013, pursuant to the IPO, the Company received total net proceeds from the placement of new shares of approximately S$17.2 million. As at the date of this report, as summarised below, the IPO proceeds have not been utilised:

Use of proceeds from the IPO	Amount allocated as set out in the Offer Document S$'000	Amount Utilised S$'000	Amount Unutilised S$'000
Expanding repertoire of talent pool/healthcare services	10,342	–	10,342
Overseas expansion/improving quality of medical services	6,894	–	6,894
Total	17,236	–	17,236

CORPORATE SOCIAL RESPONSIBILITY

To date our Group has not been involved in any corporate social responsibility initiatives directly under the brand name of "TalkMed" or "SCC". Any corporate social responsibility initiatives to contribute to the society and the local communities have been carried out under the brand name of PCC. For instance, under the banner of PCC, SCC has contributed in the running and organisation of the patient education programmes with national media, such as "Journey of Hope", "Edge of Life", and "Cancer Warriors" on ChannelNewsAsia. Our doctors have also contributed articles in various newspapers, magazines as medical journals to raise the relevant medical awareness in the public.

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited financial statements of TalkMed Group Limited (the "Company") and its subsidiary (collectively the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2013.

DIRECTORS

The directors of the Company in office at the date of this report are:

Dr. Ang Peng Tiam	(appointed on 10 September 2013)
Mr. Chandra Das s/o Rajagopal Sitaram	(appointed on 23 December 2013)
Mr. Dan Yock Hian	(appointed on 23 December 2013)
Dr. Khoo Kei Siong	(appointed on 10 September 2013)
Mr. Lim Jen Howe	(appointed on 23 December 2013)
Mr. Lim Teong Jin George	(appointed on 23 December 2013)
Mr. Sitoh Yih Pin	(appointed on 23 December 2013)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company and related corporations (other than a wholly-owned subsidiary) as stated below:

	Direct Interest No. of ordinary shares		Deemed Interest No. of ordinary shares	
Name of director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Dr. Ang Peng Tiam [1]	778	–	–	429,456,000
Dr. Khoo Kei Siong	90	49,680,000	–	–

[1] Dr. Ang Peng Tiam who has a shareholding of 60.0% in Ladyhill Holdings Pte. Ltd. is deemed interested in the 429,456,000 shares held by Ladyhill Holdings Pte. Ltd. in the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2014.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Dr. Ang Peng Tiam is deemed to have an interest in the shares of the subsidiary held by the Company.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the incorporation of the Company, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

OPTIONS

No options were issued by the Company during the financial year. As at 31 December 2013, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

AUDIT COMMITTEE

The Audit Committee ("AC") performed the functions specified in the Singapore Companies Act, Cap. 50. The functions performed are detailed in the Report on Corporate Governance.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors,

Dr. Ang Peng Tiam
Director

Dr. Khoo Kei Siong
Director

Singapore
31 March 2014

STATEMENT BY DIRECTORS

We, Dr. Ang Peng Tiam and Dr. Khoo Kei Siong, being two of the directors of TalkMed Group Limited, do hereby state that, in the opinion of the directors,

(a) the accompanying consolidated statement of comprehensive income, statements of financial position, statements of changes in equity and consolidated statement of cash flow together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

Dr. Ang Peng Tiam
Director

Dr. Khoo Kei Siong
Director

Singapore
31 March 2014

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
TO THE MEMBERS OF TALKMED GROUP LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of TalkMed Group Limited ("the Company") and its subsidiary ("the Group"), set out on pages 29 to 60, which comprise the statements of financial position of the Group and the Company as at 31 December 2013, and the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013
TO THE MEMBERS OF TALKMED GROUP LIMITED

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 S$'000	Group 2012 S$'000
Revenue	4	56,270	51,857
Other items of income			
Other income	5	8	10
Other items of expense			
Employee benefits	9	(13,606)	(9,787)
Operating lease expenses		(367)	(287)
Other operating expenses		(6,500)	(3,299)
Profit before tax	6	35,805	38,494
Income tax expense	7	(7,600)	(6,516)
Profit for the year, representing total comprehensive income for the year attributable to owners of the Company		28,205	31,978
Earnings per share			
Basic and diluted	8	20.72 cents	$5,793

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000
Non-current assets				
Plant and equipment	10	53	–	–
Investment in subsidiary	11	–	–	2,312
Total non-current assets		53	–	2,312
Current assets				
Trade and other receivables	12	7,474	6,036	519
Cash and cash equivalents	13	24,893	16,752	1
Total current assets		32,367	22,788	520
Total assets		32,420	22,788	2,832
Current liabilities				
Other payables	14	8,049	760	1,293
Accrued operating expense		4,478	3,416	2,026
Income tax payable		7,091	6,516	–
Total current liabilities		19,618	10,692	3,319
Net current assets/(liabilities)		12,749	12,096	(2,799)
Net assets/(liabilities)		12,802	12,096	(487)
Equity attributable to the owners of the Company				
Share capital	15	2,313	1	2,313
Merger reserve	16	(2,311)	–	–
Retained earnings		12,800	12,095	(2,800)
Total equity		12,802	12,096	(487)
Total equity and liabilities		32,420	22,788	2,832

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Attributable to owners of the Company			
	Total Equity S$'000	Merger reserve (Note 16) S$'000	Retained earnings S$'000	Share Capital (Note 15) S$'000
Group				
Opening balance at 1 January 2013	12,096	–	12,095	1
Issuance of shares pursuant to the Restructuring Exercise	1	(2,311)	–	2,312
Profit for the year, representing total comprehensive income for the year	28,205	–	28,205	–
Dividends paid to the then existing shareholders of a subsidiary (Note 23)	(27,500)	–	(27,500)	–
Closing balance at 31 December 2013	12,802	(2,311)	12,800	2,313
Group				
Opening balance at 1 January 2012	10,118	–	10,117	1
Profit for the year, representing total comprehensive income for the year	31,978	–	31,978	–
Dividends paid to the then existing shareholders of a subsidiary (Note 23)	(30,000)	–	(30,000)	–
Closing balance at 31 December 2012	12,096	–	12,095	1
Company				
Opening balance at 10 September 2013 (date of incorporation)	1	–	–	1
Issuance of shares pursuant to the Restructuring Exercise	2,312	–	–	2,312
Loss for the year, representing total comprehensive income for the year	(2,800)	–	(2,800)	–
Closing balance at 31 December 2013	(487)	–	(2,800)	2,313

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 S$'000	Group 2012 S$'000
Operating activities			
Profit before tax		35,805	38,494
Adjustments for:			
Depreciation of plant and equipment	10	8	–
Operating cash flows before changes in working capital		35,813	38,494
Changes in working capital			
Increase in trade and other receivables		(1,438)	(470)
Increase/(decrease) in trade and other payables		7,289	(129)
Increase in accrued operating expenses		1,062	3,187
Total changes in working capital		6,913	2,588
Cash flows from operations		42,726	41,082
Income tax paid		(7,025)	(6,694)
Net cash flows from operating activities		35,701	34,388
Investing activities			
Purchase of plant and equipment	10	(61)	–
Net cash flows used in investing activities		(61)	–
Financing activities			
Proceeds from issuance of share capital		1	–
Dividends paid to the then existing shareholders of a subsidiary	23	(27,500)	(30,000)
Net cash flows used in financing activities		(27,499)	(30,000)
Net increase in cash and cash equivalents		8,141	4,388
Cash and cash equivalents at 1 January		16,752	12,364
Cash and cash equivalents at 31 December	13	24,893	16,752

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

1. CORPORATE INFORMATION

1.1 The Company

The Company was incorporated on 10 September 2013 under the Companies Act as an exempt private company limited by shares under the name of TalkMed Group Pte. Ltd..

The Company was incorporated for the purpose of acquiring the existing operating entity, Singapore Cancer Centre Pte. Ltd. pursuant to the Restructuring Exercise as disclosed in Note 1.2. On 27 December 2013, the Company was converted to a public limited company and changed its name to TalkMed Group Limited.

The registered office of the Company is at 101 Thomson Road #09-02 United Square Singapore 307591 and principal place of business of the Group is at 3 Mount Elizabeth #13-16/17 Mount Elizabeth Hospital, Singapore 228510.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary are disclosed in Note 11 to the financial statements.

1.2 The Restructuring Exercise

During the financial year, the Group undertook the Restructuring Exercise in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited and the following steps were taken in the Restructuring Exercise:

(a) Incorporation of the Company

The Company was incorporated on 10 September 2013 as a private company limited by shares, with initial subscriber share capital of S$1,000, for the purpose of becoming the holding company of the Group.

(b) Acquisition of Singapore Cancer Centre Pte. Ltd.("SCC")

In accordance with the terms of a sale and purchase agreement dated 13 September 2013 entered into between the Company and the shareholders of SCC ("Shareholders"), the entire issued share capital of SCC was transferred from the Shareholders to the Company for a consideration of S$2,312,356, based on the unaudited net assets of SCC as at 31 August 2013. The consideration was satisfied via the allotment and issue of 100,000,000 ordinary shares of the Company to the Shareholders.

(c) Entry into Consultancy Restatement Agreement

As part of the Restructuring Exercise, the terms of the Original Consultancy Agreement and Consultancy Supplemental Agreement with Parkway Hospitals Singapore Pte. Ltd. ("PHS") were restated by the Consultancy Restatement Agreement dated 18 September 2013.

Pursuant to the completion of the Restructuring Exercise, SCC became a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Although the Company was incorporated subsequent to 31 December 2012 upon which the Restructuring Exercise was completed in September 2013, the financial statements presented for the financial years ended 31 December 2012 and 2013 are that of the Company and its subsidiary company prepared in accordance with RAP 12 Merger Accounting for Common Control Combinations in the absence of a Standard or an Interpretation that specifically applies to the business combination of the Company and its subsidiary company. In substance, the Group is a continuation of Singapore Cancer Centre Pte. Ltd.. Accordingly, the combined financial statements of the Group for the year ended 31 December 2012 have been presented as if the Group had been in existence since then and the assets and liabilities of the combining entities are brought into the combined financial statements at their existing carrying amounts. The retained earnings recognised in the combined financial statements are the retained earnings of Singapore Cancer Centre Pte. Ltd.. Any difference between the consideration paid/transferred and the share capital of the subsidiary is reflected within equity as merger reserve.

The combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The combined financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The combined financial statements are presented in Singapore dollars (SGD or S$), which is the functional currency of the Company and all values are rounded to the nearest thousand (S$'000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to FRS 36 *Recoverable Amount Disclosures for Non-financial Assets*	1 January 2014
Improvements to FRSs 2014	
– Amendment to FRS 16 *Property, plant and equipment*	1 July 2014
– Amendment to FRS 24 *Related Party Disclosure*	1 July 2014

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Furniture, fitting and renovations	–	2 years
Clinic equipment	–	2 years
Office equipment	–	2 years
Computers	–	2 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Subsidiary

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in a subsidiary is accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and these form an integral part of the Group's cash management.

2.11 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss under "Other Income".

2.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial liabilities (cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.14 Employee benefits

Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.15 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as management fees recovered over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) Consultancy services

The Group provides specialist doctors and clinical staff to Parkway Cancer Centre ("PCC"), a division of Parkway Hospitals Singapore Pte. Ltd. for the provision of specialist medical oncology services ("Consultancy services"). Revenue from the provision of such consultancy services to PCC is recognised when the services are rendered and is computed in accordance with the terms and conditions of the consultancy agreement.

(b) 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 service by SCC employees and Specialist Doctors to PCC.

2.17 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investment in a subsidiary, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investment in a subsidiary, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Taxes (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenue, expenses and assets are recognised net of amount of sales tax except:

– Where the sales tax incurred in a purchase of assets of services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.19 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.20 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

   (i) Has control or joint control over the Company;

   (ii) Has significant influence over the Company; or

   (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Related parties (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Management is of the opinion that there is no critical judgment that has a significant effect on the accounts recognised in the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

Management is of the opinion that there is no key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. REVENUE

	Group	
	2013	2012
	S$'000	S$'000
Consultancy services	44,552	41,660
Management fees	11,718	10,197
	56,270	51,857

5. OTHER INCOME

	Group	
	2013	2012
	S$'000	S$'000
Grant income from special employment credit scheme	8	5
SME cash grant	–	5
	8	10

The special employment credit scheme was introduced as a 2011 Budget Initiative and enhanced in the 2012 Budget. Under this Scheme, the Group received an 8% cash grant of a month's wages for each Singapore employee earning up to S$3,000 per month. During the financial year ended 31 December 2013, the Group received grant income of S$8,000 (2012: S$5,000) under this scheme.

The SME Cash Grant was introduced in Budget 2012. Under this Scheme, the Group received a one-off cash grant pegged at 5% of total revenue for year of assessment 2013, subject to a cap of S$5,000. During the financial year ended 31 December 2013, there were no SME Cash grant received by the Company (2012: S$5,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

6. PROFIT BEFORE TAX

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

	Note	Group 2013 S$'000	Group 2012 S$'000
Fees paid to Auditors of the Company*			
– Audit fees		86	5
– Non-audit fees		12	1
Employee benefits expense	9	13,606	9,787
Depreciation of plant and equipment	10	8	–
IPO expenses*		2,752	–

* In addition to the fees disclosed, the Group paid S$273,000 (2012: nil) to the Auditors of the Company relating to the Initial Public Offering exercise of the Company. S$44,000 was included in prepayments as at 31 December 2013 and S$229,000 was included in IPO expenses.

7. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2013 and 2012 are:

	Group 2013 S$'000	Group 2012 S$'000
Current income tax:		
– Current income taxation	7,090	6,516
– Under provision in respect of previous year	510	–
Income tax expense recognised in profit or loss	7,600	6,516

7. INCOME TAX EXPENSE (CONT'D)

Relationship between tax expense and profit before tax

Reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2013 and 2012 is as follows:

	Group	
	2013	2012
	S$'000	S$'000
Profit before tax	35,805	38,494
Tax at the domestic tax rate of 17%	6,087	6,544
Tax effect of:		
Non-deductible expenses	1,071	28
Effect of partial tax exemption and tax relief	(68)	(57)
Under provision in respect of previous year	510	–
Others	–	1
Income tax expense recognised in profit or loss	7,600	6,516

8. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2013	2012
Profit for the year attributable to owners of the Company (S$'000)	28,205	31,978
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation	136,113,748	5,520
Basic and diluted earnings per share	20.72 cents	S$5,793

The weighted average number of shares of the Company for the financial year ended 31 December 2013 is calculated based on 5,520 subscriber shares issued at incorporation and 551,994,480 new shares issued, after taking into account the effect of subdivision of shares.

The diluted earnings per share are the same as the basic earnings per share as the Company does not have any dilutive potential ordinary shares for the financial years ended 31 December 2013 and 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

9. EMPLOYEE BENEFITS EXPENSE

	Group 2013 S$'000	Group 2012 S$'000
Employee benefits expense (including directors):		
Salaries and bonuses	**13,013**	9,314
Central Provident Fund contributions	**521**	407
Other short-term benefits	**72**	66
	13,606	9,787

10. PLANT AND EQUIPMENT

Group	Furniture and fittings S$'000	Clinic equipment S$'000	Office equipment S$'000	Computers S$'000	Reno-vations S$'000	Total S$'000
Cost						
At 1 January 2012 and 31 December 2012	17	10	4	5	–	36
At 1 January 2013	17	10	4	5	–	36
Additions	25	–	9	2	25	61
At 31 December 2013	42	10	13	7	25	97
Accumulated depreciation						
At 1 January 2012 and 31 December 2012	17	10	4	5	–	36
At 1 January 2013	17	10	4	5	–	36
Depreciation charge for the year	3	–	1	–*	4	8
At 31 December 2013	20	10	5	5	4	44
Net book value						
At 31 December 2012	–	–	–	–	–	–
At 31 December 2013	22	–	8	2	21	53

* Amount is less than S$1,000.

11. INVESTMENT IN SUBSIDIARY

	Company 2013 S$'000
Shares, at cost	2,312

Details of the subsidiary are as follows:–

Company	Country of incorporation	Principal activities	Proportion of ownership interest 2013 %
Held by the Company:			
Singapore Cancer Centre Pte. Ltd.[i]	Singapore	Provide specialist doctors and medical staff to operate Parkway Cancer Centre which is a division of Parkway Hospitals Singapore Pte. Ltd. for the provision of specialist oncology services	100

[i] Audited by Ernst & Young LLP, Singapore

As mentioned in Note 1.2, the Restructuring Exercise, the acquisition of SCC was completed during the financial year ended 31 December 2013 via the allotment and issue of 100,000,000 ordinary shares of the Company to the Shareholders. Subsequently, the shares were sub-divided into 551,994,480 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

12. TRADE AND OTHER RECEIVABLES

	Note	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000
Trade receivables		6,827	6,036	–
Prepayments		70	–	–
Other receivables		577	–	519
Total trade and other receivables		7,474	6,036	519
Add: Cash and cash equivalents	13	24,893	16,752	1
Total loans and receivables		32,367	22,788	520

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are denominated in Singapore dollars as at 31 December 2013.

The Group does not have trade receivables that are past due at the end of the reporting period. All outstanding trade receivables as at 31 December 2013 and 2012 are current.

13. CASH AND CASH EQUIVALENTS

	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000
Cash at banks and on hand	24,893	16,752	1

Cash at bank does not earn any interest.

14. OTHER PAYABLES

	Group		Company
	2013	2012	2013
	S$'000	S$'000	S$'000
GST payable	966	745	–
Professional fees payables	7,062	–	–
Amount due to a company wholly-owned by a director (non-trade)	21	1	–
Amount due to a director (non-trade)	–	14	–
Amount due to subsidiary (non-trade)	–	–	1,293
	8,049	760	1,293
Add: Accrued expenses	4,478	3,416	2,026
Less: GST payable	(966)	(745)	–
Financial liabilities at amortised cost	11,561	3,431	3,319

Amount due to a company wholly-owned by a director, amount due to a director and amount due to subsidiary

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

15. SHARE CAPITAL

	Group and Company			
	2013		2012	
	No. of shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid ordinary shares				
At 1 January	1	1	1	1
Issued for acquisition of a subsidiary (Note 11)	100,000	2,312	–	–
	100,001	2,313	–	–
Subdivision of shares pursuant to Restructuring Exercise	552,000	2,313	–	–

As disclosed in Note 1.2, the Company was incorporated subsequent to 31 December 2012. Accordingly, the share capital of the Group as at 31 December 2012 refers to the paid-up capital of Singapore Cancer Centre Pte. Ltd..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

15. SHARE CAPITAL (CONT'D)

The Company was incorporated on 10 September 2013 with 1,000 shares of $1.00 each. Pursuant to the Restructuring Exercise, the Company acquired the entire equity interest in Singapore Cancer Centre Pte. Ltd. for S$2,312,000. The purchase consideration was satisfied via the issue of 100,000,000 shares. Subsequently, each share in the resultant share capital of 100,001,000 ordinary shares was subdivided into 5.52 ordinary shares. Consequently, the share capital comprises 551,994,480 ordinary shares (Rounded 552,000,000) amounting to S$2,313,000.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Subsequent to year end, the Company issued 105,143,000 ordinary shares at S$0.20 each. Consequently, the share capital of the Company increased to 657,143,000 ordinary shares.

16. MERGER RESERVE

This represents the difference between the consideration paid and the paid-in capital of the subsidiary when the subsidiary under common control are accounted for by applying the pooling of interest method.

17. RELATED PARTY TRANSACTIONS

(a) Sales and purchases of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the period:

	Group	
	2013 S$'000	2012 S$'000
Operating lease expense paid to companies wholly-owned by directors	**260**	202
Service fees paid to a director-related company	**49**	31

In addition, certain companies in which certain directors of the Group have interests have entered into operating lease agreements with Parkway Cancer Centre in respect of lease premises used as medical clinics. Lease expense amounted to S$173,700 (2012: S$115,800) and was taken into account in the determination of revenue from consultancy services.

17. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

	Group	
	2013 S$'000	2012 S$'000
Short-term employee benefits	5,692	5,527
Central Provident Fund contributions	38	32
	5,730	5,559
Comprises amount paid to:		
Directors of the company	5,569	5,559
Other key management personnel	161	–
	5,730	5,559

18. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group has entered into commercial operating lease on certain clinic centres and office. These leases have an average terms ranging from 1 to 3 years with and without renewal option and escalation clauses. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Minimum lease payments recognised as an expense in profit or loss for the financial years ended 31 December 2013 and 2012 amounted to S$367,000 and S$287,000 respectively.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2013 S$'000	2012 S$'000
Not later than one year	577	84
Later than one year but not later than five years	611	70
	1,188	154

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade receivable and other receivables (Note 12), Other payables (Note 14) and accrued operating expenses

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, due to their short term nature.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risk is credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of this risk. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

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

(a) Credit risk

Credit risk concentration profile

The Group has only one trade debtor and the carrying amounts of trade receivables are due from this trade debtor as at 31 December 2013 and 2012.

In order to mitigate concentrations of risk, the Group's policies and procedures include specific guidelines to focus on monitoring the repayment pattern of its sole trade debtor. The Group does not apply hedge accounting.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group maintains sufficient liquidity by closely monitoring its cash flows. The Group's exposure to liquidity arises primarily from mismatches of the maturities of financial assets and liabilities. The Group funds its operations through profits and cash generated from operations.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

Group	1 year or less S$'000
2013	
Financial assets:	
Trade and other receivables	7,474
Cash and cash equivalents	24,893
Total undiscounted financial assets	32,367
Financial liabilities:	
Other payables	7,083
Accrued operating expenses	4,478
Total undiscounted financial liabilities	11,561
Total net undiscounted financial assets	20,806

Group	1 year or less S$'000
2012	
Financial assets:	
Trade and other receivables	6,036
Cash and cash equivalents	16,752
Total undiscounted financial assets	22,788
Financial liabilities:	
Other payables	15
Accrued operating expenses	3,416
Total undiscounted financial liabilities	3,431
Total net undiscounted financial assets	19,357

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

(b) Liquidity risk (cont'd)

Company	1 year or less S$'000
2013	
Financial assets:	
Trade and other receivables	519
Cash and cash equivalents	1
Total undiscounted financial assets	520
Financial liabilities:	
Other payables	1,293
Accrued operating expenses	2,026
Total undiscounted financial liabilities	3,319
Total net undiscounted financial liabilities	(2,799)

21. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure, defined as share capital and retained earnings, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2012 and 31 December 2013.

22. SEGMENT INFORMATION

The Group has only one operating segment in the provision of oncologists and medical staff to operate Parkway Cancer Centre in Singapore. Management has not identified any business or operating units separately for purpose of making decisions about resource allocation and performance assessment.

The Group's revenue is derived from its sole trade debtor located in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

23. DIVIDENDS

	2013 S$'000	2012 S$'000
Declared and paid to the then existing shareholders of the subsidiary during the financial year:		
Dividends on ordinary shares:		
– First interim exempt (one-tier) dividend for 2013: $7,500 (2012: $7,500) per share	**7,500**	7,500
– Second interim exempt (one-tier) dividend for 2013: $7,500 (2012: $7,500) per share	**7,500**	7,500
– Third interim exempt (one-tier) dividend for 2013: $7,500 (2012: $7,500) per share	**7,500**	7,500
– Fourth interim exempt (one-tier) dividend for 2013: $5,000 (2012: $7,500) per share	**5,000**	7,500
	27,500	30,000

	2013 S$'000	2012 S$'000
Proposed but not recognised as a liability as at 31 December:		
Final exempt (one-tier) dividend for 2013: 1.14 cents per share	**7,500**	–

24. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 30 January 2014, the Company was listed on the Catalist Board of the Singapore Exchange. The Company issued 105,143,000 ordinary shares of S$0.20 each by placement, resulting in gross proceeds raised of S$21,028,600 and resultant share capital comprising 657,143,000 ordinary shares.

25. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the period ended 31 December 2013 were authorised for issue in accordance with a resolution of directors on 31 March 2014.

STATISTICS OF SHAREHOLDINGS
AS AT 12 MARCH 2014

ISSUED AND FULLY PAID UP CAPITAL	:	S$22,272,984
NO. OF SHARES ISSUED	:	657,143,000
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	NIL	NIL	NIL	NIL
1,000 – 10,000	121	36.67	719,000	0.11
10,001 – 1,000,000	200	60.60	27,413,000	4.17
1,000,001 AND ABOVE	9	2.73	629,011,000	95.72
TOTAL	330	100.00	657,143,000	100.00

TOP TWENTY SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	LADYHILL HOLDINGS PTE. LTD	429,456,000	65.35
2	DR KHOO KEI SIONG	49,680,000	7.56
3	DR TEO CHENG PENG	49,128,000	7.48
4	UOB KAY HIAN PTE LTD	39,757,000	6.05
5	DR LIM HONG LIANG	23,736,000	3.61
6	HSBC (SINGAPORE) NOMINEES PTE LTD	21,613,000	3.29
7	QAP CAPITAL PTE LTD	13,030,000	1.98
8	DBS NOMINEES PTE LTD	1,601,000	0.24
9	LAI JASON JUSTIN	1,010,000	0.16
10	THNG YONGXIAN (TANG YONGXIAN)	855,000	0.13
11	BRENDON YEO SAU JIN	800,000	0.13
12	CHAN JIN HOE	800,000	0.13
13	CHANDRA DAS NARESHKUMAR	800,000	0.13
14	IDA MUSTIKA TJOKROSETIO	770,000	0.12
15	FOO KIAN FONG	750,000	0.11
16	KHO SUNN SUNN PATRICIA	750,000	0.11
17	NG LIN CHIEH KELVIN	750,000	0.11
18	RICHARD TAN HUNG YONG	750,000	0.11
19	SEE HUI TI	750,000	0.11
20	SNG SU YING MARIAN	750,000	0.11
		637,536,000	97.02

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2014

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%	Total Number of Shares	%
Ladyhill Holdings Pte. Ltd.	429,456,000	65.35	–	–	429,456,000	65.35
Dr Khoo Kei Siong	49,680,000	7.56	–	–	49,680,000	7.56
Dr Teo Cheng Peng	49,128,000	7.48	–	–	49,128,000	7.48
Dr Ang Peng Tiam	–	–	429,456,000(1)	65.35	429,456,000(1)	65.35
Mdm Chua Siok Lin	–	–	429,456,000(1)	65.35	429,456,000(1)	65.35

Note:

(1) Dr Ang Peng Tiam and Mdm Chua Siok Lin are spouses. They are deemed to be interested in the ordinary shares held by Ladyhill Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap. 50.

SHAREHOLDING HELD IN PUBLIC HANDS

As at 12 March 2014, approximately 16% of the issued ordinary shares of the Company was held in the hands of the public. Accordingly, the Company had complied with Rule 723 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the First Annual General Meeting of the Company will be held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on Friday, 25 April 2014 at 3:00 p.m. to transact the following business:–

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2013 and the Directors' Reports and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a tax exempt (one-tier) dividend of 1.14 Singapore cents per ordinary share in respect of the financial year ended 31 December 2013. **(Resolution 2)**

3. To approve the payment of directors' fees of S$380,000 for the financial year ending 31 December 2014 and to be paid in quarterly instalment in arrears. **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Articles 91 and 97 of the Company's Articles of Association:

   Retiring pursuant to Article 91 of the Articles of Association of the Company

   Dr Khoo Kei Siong **(Resolution 4)**

   Retiring pursuant to Article 97 of the Articles of Association of the Company

   Mr Sitoh Yih Pin *(see explanatory note (a))* **(Resolution 5)**
   Mr Lim Teong Jin George **(Resolution 6)**
   Mr Dan Yock Hian *(see explanatory note (b))* **(Resolution 7)**
   Mr Lim Jen Howe **(Resolution 8)**

   Detailed information of Mr Sitoh Yih Pin, Mr Lim Teong Jin George, Mr Dan Yock Hian and Mr Lim Jen Howe can be found under page 6 to 7 of the Annual Report 2013.

5. To re-appoint Mr S. Chandra Das as Director of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 9)**
   (see explanatory note (c))

   Detailed information of Mr S. Chandra Das can be found under page 5 of the Annual Report 2013.

6. To re-appoint Messrs Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 10)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF FIRST ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:

8. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act, Chapter 50 and the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to issue and allot new shares ("Shares") in the capital of the Company whether by way of rights, bonus or otherwise) and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS that:

(1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company ("Shareholders") are not given the opportunity to participate in the same on a pro-rata basis ("non pro-rata basis"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the issued Shares of the Company (excluding treasury shares) at the time such authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercising share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and

(c) any subsequent consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Rules of Catalist of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier." **(Resolution 11)**
(see explanatory note (d))

By Order of the Board

Pan Mi Keay
Company Secretary
9 April 2014
Singapore

NOTICE OF FIRST ANNUAL GENERAL MEETING

Explanatory Notes:–

(a) Mr Sitoh Yih Pin will remain as the Chairman of the Audit Committee and the Member of the Remuneration Committee upon re-election as a Director of the Company and will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

(b) Mr Dan Yock Hian will remain as the Member of the Audit Committee and Nominating Committee respectively, upon re-election as a Director of the Company and will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

(c) Mr S. Chandra Das will remain as the Chairman of the Board of Directors, Nominating Committee and Remuneration Committee respectively, upon re-appointment as a Director of the Company and will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

(d) The proposed ordinary resolution 11, if passed, will empower the Directors of the Company from the date of the above meeting to issue shares in the Company up to an amount not exceeding 100% of the total number of issued shares in the capital of the Company with a sub-limit of 50% other than on a pro-rata basis to shareholders for the time being for such purposes as they consider would be in the interest of the Company. The authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Notes:

(1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(2) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 101 Thomson Road, #09-02 United Square, Singapore 307591 not less than 48 hours before the meeting.

(3) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.

(4) In the case of joint shareholders, all holders must sign the form of proxy.

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Notes:–

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. Such proxy need not be a member of the Company.

2. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.

4. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with Section 179 of the Companies Act, Chapter 50.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 101 Thomson Road, #09-02 United Square, Singapore 307591 not less than 48 hours before the time appointed for the Annual General Meeting.

6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the Annual General Meeting.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 48 hours before the time appointed for the Annual General Meeting.

TALKMED GROUP LIMITED

Registration Number: 201324565Z

(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy TalkMed Group Limited's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We, ______________________________ (Name) ______________________________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of TalkMed Group Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholding(s) to be presented by Proxy	
		No. of Shares	%
Address			

and/or (delete where appropriate)

Name	NRIC/Passport No.	Proportion of Shareholding(s) to be presented by Proxy	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the AGM of the Company to be held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on Friday, 25 April 2014 at 3:00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

Resolution No.	Ordinary Resolutions	For	Against
1.	Adoption of Directors' and Auditors' Reports and Audited Financial Statements of the Company for the financial year ended 31 December 2013.		
2.	Approval of tax-exempt (one tier) dividend of 1.14 Singapore cents per ordinary share for the financial year ended 31 December 2013.		
3.	To approve the payment of directors' fees of S$380,000 for the financial year ending 31 December 2014 and to be paid in quarterly instalments in arrears.		
4.	Re-election of Dr Khoo Kei Siong as Director of the Company pursuant to Article 91 of the Articles of Association of the Company.		
5.	Re-election of Mr Sitoh Yih Pin as Director of the Company pursuant to Article 97 of the Articles of Association of the Company.		
6.	Re-election of Mr Lim Teong Jin George as Director of the Company pursuant to Article 97 of the Articles of Association of the Company.		
7.	Re-election of Mr Dan Yock Hian as Director of the Company pursuant to Article 97 of the Articles of Association of the Company.		
8.	Re-election of Mr Lim Jen Howe as Director of the Company pursuant to Article 97 of the Articles of Association of the Company.		
9.	Re-appointment of Mr S. Chandra Das as Director of the Company pursuant to Section 153(6) of the Companies Act, Cap.50, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.		
10.	Re-appointment of Messrs Ernst & Young LLP as the Company's Auditors.		
11.	Authority to allot and issue shares.		

Dated this __________ day of __________, 2014

Total number of Shares in:	No. of Shares held
(a) CDP Register	
(b) Register of Members	

....

Signature(s) of Member(s)/Common Seal

Important: Please read notes on the left.

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Affix
Postage
Stamp
Here

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

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(65) 6578 6522

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