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(1) ENTRY INTO COLLABORATION AGREEMENT WITH ASIAN CANCER CENTERS LIMITED; AND  
(2) USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)

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**1. ENTRY INTO COLLABORATION AGREEMENT WITH ASIAN CANCER CENTERS LIMITED**

**A. INTRODUCTION**

The Board of Directors (the “**Board**”) of Talkmed Group Limited (the “**Company**”) wishes to voluntarily announce that in line with the Company’s existing business strategy and future plans with respect to expanding our repertoire of healthcare services and overseas expansion as set out in pages 29 and 113 of the Company’s offer document dated 17 January 2014 (“**Offer Document**”), it had entered into a collaboration agreement (“**Agreement**”) with Asian Cancer Centers Limited (“**ACC**”), a company incorporated in Cayman Islands, on 9 June 2015 to invest in an integrated oncology centre in the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong, SAR**”).

Pursuant to the Agreement, the Company will subscribe for new shares in Hong Kong Integrated Oncology Centre Holdings Limited (“**HKH**”), a company incorporated in Cayman Islands, amounting to 30% of the issued and paid-up share capital of HKH (“**Subscription**”). HKH is the controlling shareholder and operator of a newly set up integrated oncology centre in Hong Kong, SAR, known as Hong Kong Integrated Oncology Centre Limited (“**HKIOC**”), which commenced its operations in May 2015.

The Board believes that the entry into the Agreement will have the potential to position the Company for its expansion of its oncology related businesses in the Greater China market.

**B. CONSIDERATION**

The total consideration for the Subscription is some US\$8.4 million (or its equivalent of some S\$11.454 million) (the “**Consideration**”), which is approximately 1.6% of the Company’s market capitalisation based on the total number of shares issued (excluding treasury shares) as at 9 June 2015 and is significantly lower than the disclosure thresholds set out in Rule 1006(c) of the Rules of Catalist of the Singapore Exchange Securities Trading Limited. The Consideration for the Subscription was determined based on arm’s length negotiations between the Company and ACC, after taking into account various commercial factors including the business plans and potential of HKIOC.

The Consideration will be fully funded through the use of the proceeds from the IPO, and the Agreement is also not expected to have any material effect on the net tangible assets per share or consolidated earnings per share of the Company for the current financial year.

**C. DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS**

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in this transaction contemplated herein.



## 2. USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Board refers to the first quarter results announcement made on 7 May 2015 in relation to the use of proceeds from the IPO and wishes to provide an update on the utilisation of the balance of the proceeds from the IPO as set out in the table below: -

	Allocation (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
Expanding repertoire of talent pool/ healthcare services	10,381	(6,334*)	4,047
Overseas expansion/ improving quality of medical services	6,920	(6,920)	-
<b>Total</b>	<b>17,301</b>	<b>(13,254)</b>	<b>4,047</b>

\* Inclusive of investment of S\$1.8 million in Stem Med Pte. Ltd. on 21 January 2015.

The Board is of the view that the above utilisation is in accordance with the disclosure as set out on page 45 of the Offer Document.

The Company will continue to make periodic announcement(s) on the use of the IPO Proceeds as and when the funds are materially disbursed.

By Order of the Board

Lee Boon Yong  
Chief Financial Officer

10 June 2015

*The Announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Announcement.*

*The Announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of the Announcement, including the correctness of any of the statements or opinions made or reports contained in the Announcement.*

*The contact person for the Sponsor is Ms Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415-9886.*