



TALKMED GROUP LIMITED
(Company Registration No. 201324565Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

PART I - INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) The Directors of TalkMed Group Limited (the “**Company**”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the fourth quarter and the financial year ended 31 December 2016 (“**Q4 2016**” and “**FY 2016**” respectively).

	Q4 2016 \$'000 (Unaudited)	Q4 2015 \$'000 (Unaudited)	Increase / (Decrease) %	FY 2016 \$'000 (Unaudited)	FY 2015 \$'000 (Audited)	Increase / (Decrease) %
The Group						
Revenue	18,378	17,953	2.4%	68,913	65,716	4.9%
Other item of income						
Other income	372	279	33.3%	908	543	67.2%
Other items of expense						
Employee benefits	(4,364)	(4,123)	5.8%	(16,859)	(15,134)	11.4%
Operating lease expenses	(400)	(376)	6.4%	(1,506)	(1,238)	21.6%
Other operating expenses	(797)	(468)	70.3%	(2,336)	(1,512)	54.5%
Share of results of associate	(835)	(1,472)	(43.3%)	(3,632)	(2,888)	25.8%
Profit before tax	12,354	11,793	4.8%	45,488	45,487	0.0%
Income tax expense	(2,338)	(2,289)	2.1%	(8,607)	(8,315)	3.5%
Profit for the period/year	10,016	9,504	5.4%	36,881	37,172	(0.8%)
Attributable to:						
Owners of the Company	10,218	9,581	6.6%	37,391	37,334	0.2%
Non-controlling interests	(202)	(77)	162.3%	(510)	(162)	214.8%
	10,016	9,504	5.4%	36,881	37,172	(0.8%)

1(a)(ii) The net profit attributable to owners of the Company includes the following charges:

The Group	Q4 2016 \$'000 (Unaudited)	Q4 2015 \$'000 (Unaudited)	Increase / (Decrease) %	FY 2016 \$'000 (Unaudited)	FY 2015 \$'000 (Audited)	Increase / (Decrease) %
Depreciation of plant and equipment	(81)	(53)	52.8%	(266)	(174)	52.9%
Interest income	326	243	34.2%	733	439	67.0%

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2016 \$'000 (Unaudited)	31/12/2015 \$'000 (Audited)	31/12/2016 \$'000 (Unaudited)	31/12/2015 \$'000 (Audited)
ASSETS				
Non-current assets				
Plant and equipment	511	523	-	-
Investment in subsidiaries	-	-	4,113	4,113
Investment in associate	5,004	8,636	11,524	11,524
Prepaid operating expenses	14	15	-	-
	5,529	9,174	15,637	15,637
Current assets				
Inventories	63	-	-	-
Prepaid operating expenses	178	103	16	16
Trade and other receivables	6,691	9,646	15,018	15,734
Cash and short-term deposits	63,996	49,562	7,741	7,540
	70,928	59,311	22,775	23,290
Total assets	76,457	68,485	38,412	38,927
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	1,735	1,513	3	-
Other liabilities	2,018	1,284	160	153
Income tax payable	8,571	8,303	19	-
	12,324	11,100	182	153
Net current assets	58,604	48,211	22,593	23,137
Non-current liabilities				
Other liabilities	28	31	-	-
Total liabilities	12,352	11,131	182	153
Net assets	64,105	57,354	38,230	38,774

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2016 \$'000 (Unaudited)	31/12/2015 \$'000 (Audited)	31/12/2016 \$'000 (Unaudited)	31/12/2015 \$'000 (Audited)
Equity attributable to owners of the Company				
Share capital	22,273	22,273	22,273	22,273
Merger reserve	(2,311)	(2,311)	-	-
Retained earnings	43,615	36,354	15,957	16,501
	63,577	56,316	38,230	38,774
Non-controlling interests	528	1,038	-	-
Total equity	64,105	57,354	38,230	38,774
Total equity and liabilities	76,457	68,485	38,412	38,927

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(a) the amount repayable in one year or less, or on demand;
None

(b) the amount repayable after one year;
None

(c) whether the amounts are secured or unsecured; and
None

(d) details of any collaterals.
None

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q4 2016 \$'000 (Unaudited)	Q4 2015 \$'000 (Unaudited)	FY 2016 \$'000 (Unaudited)	FY 2015 \$'000 (Audited)
Operating Activities				
Profit before tax	12,354	11,793	45,488	45,487
Adjustments for:				
Depreciation of plant and equipment	81	53	266	174
Interest income	(326)	(243)	(733)	(439)
Share of results of associate	835	1,472	3,632	2,888
Operating cash flows before changes in working capital	12,944	13,075	48,653	48,110
Changes in working capital				
Increase in inventories	(63)	-	(63)	-
Increase in prepaid operating expenses	(81)	(53)	(74)	(77)
(Increase) / decrease in trade and other receivables	(117)	(2,837)	3,064	(446)
Increase in trade and other payables	174	104	222	180
(Decrease) / increase in other liabilities	(76)	(232)	731	410
Net changes in working capital	(163)	(3,018)	3,880	67

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q4 2016 \$'000 (Unaudited)	Q4 2015 \$'000 (Unaudited)	FY 2016 \$'000 (Unaudited)	FY 2015 \$'000 (Audited)
Cash flows from operations	12,781	10,057	52,533	48,177
Interest received	110	136	624	376
Income tax paid	(2)	(18)	(8,339)	(8,070)
Net cash flows from operating activities	<u>12,889</u>	<u>10,175</u>	<u>44,818</u>	<u>40,483</u>
Investing Activities				
Purchase of plant and equipment	(103)	(75)	(254)	(672)
Investment in an associate	-	-	-	(11,524)
Net cash flows used in investing activities	<u>(103)</u>	<u>(75)</u>	<u>(254)</u>	<u>(12,196)</u>
Financing Activities				
Net cash inflow from non-controlling interests on incorporation of a subsidiary	-	-	-	1,200
Dividends paid on ordinary shares	-	-	(30,130)	(30,820)
Net cash flows used in financing activities	<u>-</u>	<u>-</u>	<u>(30,130)</u>	<u>(29,620)</u>
Net increase / (decrease) in cash and cash equivalents	12,786	10,100	14,434	(1,333)
Cash and cash equivalents at beginning of the period	51,210	39,462	49,562	50,895
Cash and cash equivalents at end of the period	<u>63,996</u>	<u>49,562</u>	<u>63,996</u>	<u>49,562</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Merger reserve	Retained earnings	Non-controlling interests	Total equity
The Group (Unaudited)	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	22,273	(2,311)	36,354	1,038	57,354
Profit for the year, representing total comprehensive income for the year	-	-	37,391	(510)	36,881
Dividends paid to shareholders	-	-	(30,130)	-	(30,130)
Balance at 31 December 2016	<u>22,273</u>	<u>(2,311)</u>	<u>43,615</u>	<u>528</u>	<u>64,105</u>
(Audited)					
Balance at 1 January 2015	22,273	(2,311)	29,840	-	49,802
Profit for the year, representing total comprehensive income for the year	-	-	37,334	(162)	37,172
Incorporation of subsidiary	-	-	-	1,200	1,200
Dividends paid to shareholders	-	-	(30,820)	-	(30,820)
Balance at 31 December 2015	<u>22,273</u>	<u>(2,311)</u>	<u>36,354</u>	<u>1,038</u>	<u>57,354</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Company (Unaudited)	Share capital \$'000	Merger reserve \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2016	22,273	-	16,501	-	38,774
Profit for the year, representing total comprehensive income for the year	-	-	29,586	-	29,586
Dividends paid to shareholders	-	-	(30,130)	-	(30,130)
Balance at 31 December 2016	22,273	-	15,957	-	38,230
(Audited)					
Balance at 1 January 2015	22,273	-	17,476	-	39,749
Profit for the year, representing total comprehensive income for the year	-	-	29,845	-	29,845
Dividends paid to shareholders	-	-	(30,820)	-	(30,820)
Balance at 31 December 2015	22,273	-	16,501	-	38,774

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of ordinary shares	
	31/12/2016	31/12/2015
Total number of issued shares excluding treasury shares	657,143,000	657,143,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no shares held as treasury shares as at 31 December 2016 and 31 December 2015.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by our auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for the adoption of the FRSs and Amendments to FRSs applicable for the financial period beginning on or after 1 January 2016, the same accounting policies and methods of computation have been applied. The adoption of new FRSs and Amendments to FRSs did not have any effect on the financial performance or position of the Group and the Company.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted all the new FRSs and Amendments to FRSs that are effective for the periods beginning on or after 1 January 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Q4 2016 (Unaudited)	Q4 2015 (Unaudited)	FY 2016 (Unaudited)	FY 2015 (Audited)
The Group				
Profit attributable to owners of the Company (\$'000)	10,218	9,581	37,391	37,334
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	657,143,000	657,143,000	657,143,000	657,143,000
Basic and fully diluted earnings per share (cents)	1.55	1.46	5.69	5.68

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
	31/12/2016 (Unaudited)	31/12/2015 (Audited)	31/12/2016 (Unaudited)	31/12/2015 (Audited)
Net asset value attributable to owners of the Company (\$'000)	63,577	56,316	38,230	38,774
Net asset value per ordinary share at end of financial period (cents) *	9.67	8.57	5.82	5.90

* The calculation of net asset value per ordinary share was based on 657,143,000 shares for all periods.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Performance Review

Q4 2016 and FY 2016

Revenue

In Q4 2016, revenue for the Group grew by \$0.43 million or 2.4% from \$17.95 million in Q4 2015 to \$18.38 million.

The Group's revenue for FY 2016 was \$68.91 million, an increase of \$3.19 million or 4.9% from \$65.72 million for the financial year ended 31 December 2015 ("**FY 2015**").

The increase in revenue in both Q4 2016 and FY 2016 was mainly attributed to the increase in revenue from patients.

Revenue derived from our operations in Vietnam, which is carried out by our 60%-owned subsidiary, TalkMed Vietnam Pte. Ltd., during the year amounted to \$0.40 million. This was an increase of \$0.07 million or 21.3% over last year.

Revenue derived from our subsidiary, Stem Med Pte. Ltd. ("**Stem Med**") for stem cell processing and storage services during the year amounted to \$0.40 million. This was an increase of \$0.30 million or 300.0% over last year as Stem Med commenced its operations in July 2015.

Other item of income

Other income

The Group's other income comprised interest received on fixed deposit, government-paid childcare and maternity leave and grant from government under the Wage Credit Scheme, Temporary Employment Credit, Special Employment Credit and Capability Development Grant.

In Q4 2016, other income grew by \$0.09 million or 33.3%. The Group's other income for FY 2016 was \$0.91 million, an increase of \$0.37 million or 67.2% from \$0.54 million in FY 2015.

The increase in other income in both Q4 2016 and FY 2016 was mainly attributed to interest received from fixed deposits which increased by \$0.08 million or 34.2% and \$0.29 million or 67.0% respectively compared to the previous corresponding period.

Other items of expense

Employee benefits

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

In Q4 2016, employee benefits increased by \$0.24 million or 5.8% from \$4.12 million in Q4 2015 to \$4.36 million. The increase was mainly due to increase in staff remuneration, higher bonuses and additional staff recruited during the period.

Other items of expense (cont'd)

Employee benefits (cont'd)

Employee benefits for FY 2016 increased by \$1.73 million or 11.4% from \$15.13 million in FY 2015 to \$16.86 million in FY 2016. The increase was mainly due to an increase in staff salary, higher bonuses paid out and additional staff recruited during the year to support growing business activities.

Operating lease expenses

In Q4 2016, operating lease expenses increased by \$0.02 million or 6.4% from \$0.38 million in Q4 2015 to \$0.40 million in Q4 2016. The increase was due to a new operating lease that was effected in October 2016.

Operating lease expenses for FY 2016 increased by \$0.27 million or 21.6% from \$1.24 million in FY 2015 to \$1.51 million in FY 2016. The increase was due to new operating lease effected in October 2016 and the full year effect of an operating lease that was effected in June 2015 offset against a lease that was terminated in September 2015.

Other operating expenses

Other operating expenses comprised mainly professional and legal fees, directors' fees, expenses from marketing activities, insurance, depreciation and laboratory consumable and services.

In Q4 2016, other operating expenses increased by \$0.33 million or 70.3% from \$0.47 million in Q4 2015 to \$0.80 million in Q4 2016.

Other operating expenses for FY 2016 increased by \$0.83 million or 54.5% from \$1.51 million in FY 2015 to \$2.34 million in FY 2016.

The increase in operating expense in both Q4 2016 and FY2016 was mainly due to increase in overhead expenses incurred by Stem Med which commenced operations in July 2015.

Share of results of associate

The Group's share of loss after tax of associate, Hong Kong Integrated Oncology Centre Holdings Limited ("HKH") was \$0.84 million and \$3.63 million in Q4 2016 and FY 2016 respectively. The loss was mainly due to higher operating expenses as HKH is in its gestation period.

Income tax expense

Income tax expense increased by \$0.05 million or 2.1% from \$2.29 million in Q4 2015 to \$2.34 million in Q4 2016 due to higher profits in Q4 2016. The effective tax rate for Q4 2016 and Q4 2015 were 18.9% and 19.4% respectively.

Income tax expense for FY 2016 increased by \$0.29 million or 3.5% from \$8.32 million in FY 2015 to \$8.61 million due to higher profits in FY 2016. The effective tax rate for FY 2016 is 18.9% as compared to 18.3% in FY 2015.

Profit after tax

The Group recorded profit after tax of \$10.02 million in Q4 2016 as compared to \$9.50 million in Q4 2015. The increase of \$0.52 million or 5.4% was mainly due to higher revenue generated in Q4 2016 as compared to Q4 2015.

Profit after tax (cont'd)

In FY 2016, the Group recorded profit after tax of \$36.88 million as compared to \$37.17 million in FY 2015. This was a decrease of \$0.29 million or 0.8% due to higher operating expenses and share of results of associate in Hong Kong partially offset by increase in revenue.

Review of the Group's financial position

Non-current assets

The Group's non-current assets comprised plant and equipment and investment in an associate. Non-current assets decreased by \$3.65 million which was mainly attributable to a decrease in the carrying amount of our investment in associate pursuant to taking up the share of loss of associate of \$3.63 million during the year.

Current assets

Current assets comprised inventories, prepaid operating expenses, trade and other receivables and cash and short-term deposits. Current assets increased by \$11.62 million which was mainly attributed to the increase in cash and short-term deposits of \$14.43 million, inventories of \$0.06 million and prepaid operating expenses of \$0.08 million, partially offset by decrease in trade and other receivables of \$2.95 million. The increase in cash and short-term deposits was mainly attributable to cash flows from operating activities while the decrease in trade and other receivables was mainly due to the payments received from trade debtors.

Current liabilities

Current liabilities comprised trade and other payables, other liabilities and income tax payable. Current liabilities increased by \$1.22 million. Trade and other payables and other liabilities increased by \$0.22 million and \$0.73 million respectively due to accruals of payables and expenses at year end. Income tax payable increased by \$0.27 million due to higher profits.

Non-current liabilities

Non-current liabilities comprised other liabilities of \$0.03 million which is related to deferred revenue in respect of the fees that were charged by Stem Med for the storage of stem cells which would be recognised over the period of storage.

Equity attributable to owners of the Company

The increase was mainly attributable to profits earned during the year.

Non-controlling interests

This related to the 40% non-controlling interests' share of Stem Med's net equity.

Review of the Group's cash flow

Q4 2016

Operating activities

In Q4 2016, net cash flows from operating activities amounted to \$12.89 million. This comprised operating cash flows before changes in working capital of \$12.94 million and interest received of \$0.11 million less net changes in working capital of \$0.16 million. The net increase in working capital of \$0.16 million was mainly due to an increase in inventories of \$0.06 million, prepaid operating expenses of \$0.08 million and trade and other receivables of \$0.12 million, a decrease in other liabilities of \$0.07 million offset by an increase in trade and other payables of \$0.17 million.

Investing activities

Net cash used in investing activities of \$0.10 million was attributable to purchase of plant and equipment by a subsidiary, Stem Med.

Net increase in cash and cash equivalents

The above resulted in net increase in cash and cash equivalents of \$12.79 million.

FY 2016

Operating activities

In FY 2016, net cash flows from operating activities amounted to \$44.82 million. This comprised operating cash flows before changes in working capital of \$48.65 million, net changes in working capital of \$3.88 million, interest received of \$0.62 million less income tax paid of \$8.33 million. The net decrease in working capital of \$3.88 million was mainly due to a decrease in trade and other receivables of \$3.06 million, an increase in trade and other payables as well as other liabilities of \$0.22 million and \$0.73 million respectively, offset by an increase in inventories and prepaid operating expenses of \$0.06 million and \$0.07 million respectively.

Investing activities

Net cash used in investing activities of \$0.25 million was attributable to purchase of plant and equipment by Stem Med.

Financing activities

Net cash used in financing activities was \$30.13 million and was attributable to the payment of dividends to shareholders.

Net increase in cash and cash equivalents

The above resulted in net increase in cash and cash equivalents of \$14.43 million. Cash and cash equivalents totalled \$64.00 million as at 31 December 2016.

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

Not applicable.

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

Our business is dependent to a large extent on the economic performance of Singapore and countries in South East Asia.

The Group is facing pressure on revenue from the strength of the Singapore dollar vis-à-vis the currencies as well as the economic conditions of the neighbouring countries.

11. If a decision regarding dividend has been made, the required information has been disclosed.

(a) Whether an interim (final) ordinary dividend has been declared or recommended

As set out on page 51 of the Company's offer document dated 17 January 2014, the Group has a dividend policy that recommends an annual dividend of up to 75 per cent of our net profit attributable to shareholders as dividends to our shareholders. However, the Board has recommended a final one-tier tax exempt dividend of \$0.02283 per share in respect of FY 2016 (the "Final Dividend") which, together with the interim dividend of \$0.02280 per share that was paid on 22 August 2016, will constitute 80.2% of FY 2016 net profit attributable to owners of the Company.

(b) (i) Amount per share

\$0.02283 per share.

(ii) Previous corresponding period

\$0.02305 per share.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

The dividend is one-tier tax exempt.

(d) The date the dividend is payable

The proposed Final Dividend, if approved by the shareholders of the Company at the Annual General Meeting to be held on 25 April 2017, will be paid on 11 May 2017.

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

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders of the Company to the proposed Final Dividend at the Annual General Meeting to be held on 25 April 2017, the Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 3 May 2017 for the purpose of determining entitlements of ordinary shareholders to the tax exempt (one-tier) Final Dividend of 2.283 Singapore cents per ordinary share for the financial year ended 31 December 2016.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, up to 5:00 p.m. on 3 May 2017 will be registered before entitlements to the Final Dividend are determined. Members whose securities accounts with The Central Depository (Pte) Ltd. are credited with the Company's ordinary shares as at 5:00 p.m. on 3 May 2017 will be entitled to the Final Dividend. Payment of the Final Dividend, if approved by the members at the Annual General Meeting to be held on 25 April 2017, will be made on 11 May 2017.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

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

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

14. Interested Persons Transactions

The Company and its subsidiaries had the following Interested Persons Transactions during FY 2016.

Name of Interested Persons	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all IPTs during the financial year under review conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
Dr. Ang Peng Tiam	202	N.A.
P.T. Ang Medical Services Pte Ltd	873	N.A.
StemCord Pte Ltd ⁽¹⁾	494	N.A.

Note:

⁽¹⁾ Dr Ang is also a Director and a substantial shareholder of StemCord Pte Ltd ("StemCord") holding 17.35% in StemCord. Pursuant to Rule 904 of the Catalist Rules, charges by and payments made by StemCord on behalf of Stem Med, a subsidiary of the Company, constitutes an interested person transaction.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for operating segments (of the group) presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Revenue by geographical segment	FY 2016 \$'000 (Unaudited)	FY 2015 \$'000 (Audited)
Provision of medical oncology services		
- Singapore	68,109	65,286
- Vietnam	402	331
Stem Cell Services		
- Singapore	402	99
	68,913	65,716

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to item 8.

17. Breakdown of sales as follows:-

	Group		Increase/ (decrease) %
	31/12/2016 \$'000 (Unaudited)	31/12/2015 \$'000 (Audited)	
Sales reported for the first half year	33,477	32,091	4.3%
Operating profit after tax reported for first half year	18,395	19,811	(7.1%)
Sales reported for the second half year	35,436	33,625	5.4%
Operating profit after tax reported for second half year	18,486	17,361	6.5%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Please refer to item 11 for the Final Dividend declared in respect of FY 2016.

Dividends decalred and paid to the Compay's shareholders		For the year ended 31 st December	Actual payment date	FY 2016 \$'000	FY2015 \$'000
Final dividend	One-tier tax exempt	2014	15 May 2015		15,969
		2015	13 May 2016	15,147	
1 st interim dividend	One-tier tax exempt	2015	18 Sep 2015		14,851
		2016	22 Aug 2016	14,983	
				30,130	30,820
				Proposed dividend to the Company's shareholders but not recognised as a liability as at	
				31/12/2016	31/12/2015
				\$'000	\$'000
Final dividend				15,003	15,147

19. Use of IPO proceeds

As at the date of this announcement, the use of IPO proceeds are as follows:-

Use of proceeds from the IPO	Amount Allocated \$'000	Amount Utilised \$'000	Amount Unutilised \$'000
Expanding repertoire of talent pool / healthcare services	10,381	6,404 ⁽¹⁾	3,977
Overseas expansion / improving quality of medical services	6,920	6,920 ⁽²⁾	-
Total	17,301	13,324	3,977

Note:-

- (1) Comprised investments in Stem Med and Hong Kong Integrated Oncology Centre Holdings Limited ("**HKH**") of \$1.80 million and \$4.60 million ⁽²⁾ respectively
- (2) Total investment in HKH by the Company amounted to \$11.52 million

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

The Group does not have any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the Company.

21. Confirmation pursuant to Rule 720(1)

TalkMed Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in form Appendix 7H.

BY ORDER OF THE BOARD

Ang Peng Tiam
Chief Executive Officer
21 February 2017

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

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance. Telephone number: (65) 6415 9886