



TALKMED GROUP LIMITED

(Incorporated in Singapore on 10 September 2013)
(Company Registration Number 201324565Z)

Invitation in respect of 105,143,000 New Shares at S\$0.20 for each New Share by way of placement, payable in full on application.

OFFER DOCUMENT DATED 17 JANUARY 2014

(Registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 17 January 2014)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser(s).

Hong Leong Finance Limited (the "Sponsor") has made an application to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares (the "Shares") in the capital of TalkMed Group Limited (the "Company") already issued, the new Shares (the "New Shares") which are the subject of the Invitation (as defined herein) on Catalist (as defined herein). The dealing in, and quotation of, the Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate,

consultation with your professional adviser(s).

This Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the "Authority"). We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed on Catalist and complies with the rules of the Listing Manual (as defined herein). Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares or units of Shares being offered for investment.

The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other

legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional upon the issue of the New Shares and the listing and quotation of all our existing issued Shares and the New Shares. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Sponsor or the Placement Agent (as defined herein).

Investing in our shares involves risks which are described in the "RISK FACTORS" section of this Offer Document.

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Sponsor



HONG LEONG
FINANCE

Hong Leong Finance Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 196100003D)

Placement Agent

UOB KayHian

UOB KAY HIAN PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 197000447W)

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr Chandra Das s/o Rajagopal Sitaram (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)
COMPANY SECRETARY	:	Mr Lee Wei Hsiung (ACIS) Ms Pan Mi Keay (ACIS)
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
PLACEMENT AGENT	:	UOB Kay Hian Private Limited 8 Anthony Road #01-01 Singapore 229957
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young LLP Public Accountants and Chartered Accountants 1 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)
LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315

CORPORATE INFORMATION

LEGAL ADVISER TO THE SPONSOR ON SINGAPORE LAW	:	RHTLaw Taylor Wessing LLP Six Battery Road #10-01 Singapore 049909
PRINCIPAL BANKER	:	Oversea-Chinese Banking Corporation Limited 65 Chulia Street #06-00 OCBC Centre Singapore 049513
RECEIVING BANKER	:	Oversea-Chinese Banking Corporation Limited 65 Chulia Street #06-00 OCBC Centre Singapore 049513

DEFINITIONS

In this Offer Document and the accompanying Application Forms, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

COMPANIES WITHIN OUR GROUP

<i>“Company”</i>	:	TalkMed Group Limited
<i>“SCC”</i>	:	Singapore Cancer Centre Pte. Ltd.
<i>“Group”</i>	:	Our Company and our subsidiary as at the date of this Offer Document

OTHER CORPORATIONS, AGENCIES AND ENTITIES

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority
<i>“Authority” or “MAS”</i>	:	The Monetary Authority of Singapore
<i>“AYSUS”</i>	:	AYSUS Pte. Ltd.
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“CDP” or “Depository”</i>	:	Central Depository (Pte) Limited
<i>“CPF”</i>	:	Central Provident Fund
<i>“CanHOPE”</i>	:	A non-profit cancer counselling and support service initiated by PCC
<i>“HCC”</i>	:	Haematology and Cancer Centre Pte. Ltd.
<i>“Hong Leong Finance” or “Sponsor”</i>	:	Hong Leong Finance Limited
<i>“HWT”</i>	:	Hongwei Technologies Limited (in provisional liquidation)
<i>“Medical Council” or “SMC”</i>	:	Singapore Medical Council
<i>“MedInc”</i>	:	MedInc Pte Ltd
<i>“MOH”</i>	:	Ministry of Health of Singapore
<i>“MOS”</i>	:	Medical Oncology Specialist Clinic Pte. Ltd.
<i>“PCC”</i>	:	Parkway Cancer Centre
<i>“PHL”</i>	:	Parkway Holdings Limited

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<i>“PHS”</i>	:	Parkway Hospitals Singapore Pte. Ltd.
<i>“Placement Agent” or “UOBKH”</i>	:	UOB Kay Hian Private Limited
<i>“PTAMS”</i>	:	P.T. Ang Medical Services Pte Ltd
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“WHO”</i>	:	World Health Organisation

GENERAL

<i>“1H”</i>	:	The six months ended or ending 30 June, as the case may be
<i>“1H FY2012” or “1H2012”</i>	:	The six months ended 30 June 2012
<i>“1H FY2013” or “1H2013”</i>	:	The six months ended 30 June 2013
<i>“AGM”</i>	:	Annual general meeting of the Company
<i>“Affiliate”</i>	:	With respect to any entity or person, all entities which are controlling, controlled or under common control with such entity or person
<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for subscription of the New Shares
<i>“Articles”</i>	:	The articles of association of our Company, as amended from time to time
<i>“Associate”</i>	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or

DEFINITIONS

- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more of the aggregate of the nominal amount of all the voting shares; or
 - (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more

- “Audit Committee”* : The audit committee of our Company as at the date of this Offer Document, unless otherwise stated

- “Board” or “Board of Directors”* : The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated

- “CEO”* : Chief Executive Officer

- “CFO”* : Chief Financial Officer

- “COO”* : Chief Operating Officer

- “Companies Act”* : The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time

- “Consultancy Restatement Agreement”* : The Consultancy Restatement Agreement dated 18 September 2013 entered into between SCC, PHS, PTAMS, HCC, MedInc, MOS, AYSUS and the Specialist Doctors, pursuant to which the terms of the Original Consultancy Agreement and the Consultancy Supplemental Agreement were superseded

- “Consultancy Supplemental Agreement”* : The supplemental agreement dated 18 May 2010 entered into between SCC, PHS, PTAMS, HCC, MedInc, MOS and the Specialist Doctors pursuant to which the terms of the Original Consultancy Agreement were amended, modified and supplemented

- “Controlling Shareholder”* : In relation to a corporation,

 - (a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or

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		(b) a person who has an interest of 15.0% or more of the aggregate of the nominal amount of all the voting shares in a corporation, unless he does not exercise control over the corporation
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“DPS”</i>	:	Dividend per Share
<i>“Effective Control”</i>	:	The ownership over, directly or indirectly, more than half of the voting shares in the relevant company
<i>“EGM”</i>	:	Extraordinary general meeting of the Company
<i>“entity”</i>	:	Includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, who make or participate in making decisions that affect the whole or a substantial part of our business or have the capacity to make decisions which affect significantly our financial standing and as set out in the “Directors, Executive Officers and Employees” section of this Offer Document
<i>“FY”</i>	:	Financial year ended or ending 31 December, as the case may be
<i>“GST”</i>	:	Goods and Services Tax
<i>“Implementation Agreement”</i>	:	The implementation agreement dated 3 September 2012 and entered into between SCC and HWT, more particularly described in the “General Information on our Group – History and Development of our Group” section of this Offer Document
<i>“Independent Directors”</i>	:	The non-executive independent Directors of our Company as at the date of this Offer Document, unless otherwise stated

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<i>“Invitation”</i>	:	The invitation by our Company to the public in Singapore to subscribe for the New Shares at the Issue Price, upon the terms and subject to the conditions set out in this Offer Document
<i>“Issue Price”</i>	:	S\$0.20 for each New Share
<i>“Latest Practicable Date”</i>	:	17 December 2013, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The proposed listing of and quotation for our Shares on the SGX-ST
<i>“Listing Date”</i>	:	The date on which our Shares commence trading on the Catalist
<i>“Listing Manual”</i>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<i>“Legal Opinion”</i>	:	The legal opinion dated 27 December 2013 issued by Stamford Law Corporation (the Legal Adviser to our Company on Singapore Law), details of which are set out in the “Litigation” section of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Memorandum”</i>	:	The memorandum of association of our Company, as amended from time to time
<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 105,143,000 new Shares for which our Company invites applications to subscribe for at the Issue Price pursuant to the Invitation, upon the terms and subject to the conditions set out in this Offer Document
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Non-Executive Directors”</i>	:	Non-Executive Directors of our Company (including Independent Directors) as at the date of this Offer Document, except where otherwise stated or where the context requires otherwise
<i>“NTA”</i>	:	Net tangible assets (after non-controlling interests)

DEFINITIONS

<i>“Offer Document”</i>	:	This offer document dated 17 January 2014 issued by our Company in respect of the Invitation
<i>“Original Consultancy Agreement”</i>	:	The consultancy agreement dated 26 September 2006 entered into amongst SCC, PHS, PTAMS, HCC, MedInc, MOS and the Specialist Doctors
<i>“PAT”</i>	:	Profit after tax
<i>“PER”</i>	:	Price Earnings Ratio
<i>“Period Under Review”</i>	:	The period which comprises FY2010, FY2011, FY2012 and 1H FY2013
<i>“Placement”</i>	:	The placement of the New Shares by the Placement Agent on behalf of our Company for subscription at the Issue Price, subject to and on the terms and conditions set out in this Offer Document
<i>“Properties”</i>	:	Has the meaning ascribed to it in the “General Information on our Group – Business and Principal Activities” section of this Offer Document
<i>“Register of Members”</i>	:	The register of members of our Company
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Restructuring Exercise”</i>	:	The restructuring exercise that we carried out to streamline our corporate structure as described in the “Restructuring Exercise” section of this Offer Document
<i>“R&D”</i>	:	Research and development
<i>“Sale and Purchase Agreement”</i>	:	The sale and purchase agreement dated 13 September 2013 entered into between the Company (as buyer) and the Specialist Doctors (as vendors) to acquire the entire issued share capital of SCC by the Company from the Specialist Doctors
<i>“SCC Employees”</i>	:	The clinic staff, personnel and doctors (not being the Specialist Doctors) employed by SCC for the provision of medical oncology services to PCC

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<i>“SCC Shareholders’ Agreement”</i>	:	The shareholders’ agreement dated 25 September 2006 entered into amongst the Specialist Doctors setting out the terms and conditions pursuant to which their relationship with SCC and with each other will be governed. It was officially terminated on 20 December 2013 by way of a deed of termination, pursuant to which the Specialist Doctors are released from their respective obligations thereunder
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<i>“Service Agreements”</i>	:	The service agreements of our Executive Directors, as described under the “Directors, Executive Officers and Employees – Service Agreements” section of this Offer Document
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of our Company
<i>“Shareholder(s)”</i>	:	Registered holder(s) of Share(s), except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the depositors whose Securities Accounts are credited with Shares
<i>“Share Split”</i>	:	The subdivision of every one Share into 5.52 Shares, completed on 13 November 2013
<i>“Specialist Doctors”</i>	:	Dr Ang Peng Tiam, Dr Teo Cheng Peng, Dr Khoo Kei Siong and Dr Lim Hong Liang
<i>“Substantial Shareholder”</i>	:	A person who has an interest in the Share(s), the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares of the Company

DEFINITIONS

CURRENCIES, UNITS AND OTHERS

“S\$” and “cents”	:	Singapore dollars and cents, respectively
“US\$” and “US cents”	:	United States dollars and cents, respectively
“N.A.”	:	Not applicable
“%” or “per cent.”	:	Per centum or percentage

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in section 130A of the Companies Act.

Any reference to “we”, “us”, “our” and “ourselves” in this Offer Document is a reference to our Company, our Group or any member of our Group as the context requires.

The terms “associated company”, “associated entity”, “controlling interest-holder”, “controlling shareholder”, “related corporation”, “related entity”, “subsidiary”, “subsidiary entity” and “substantial interest-holder” shall have the same meanings ascribed to them respectively in the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and/or the Application Forms to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Offer Document and/or the Application Forms shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Offer Document and/or the Application Forms to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document and/or the Application Forms shall be a reference to Singapore time, unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Company, the following glossary contains certain medical and technical terms, and in some instances abbreviations, and its corresponding explanations used by us in this Offer Document and in connection with our Group and our business. The terms, abbreviations and definitions may not correspond to standard medical industry meanings and their usage of these terms.

<i>“3D conformal radiotherapy”</i>	:	A technique where the beams of radiation used in treatment are shaped to match the tumour
<i>“biliary”</i>	:	Of or relating to bile, the bile ducts, or the gallbladder
<i>“biological therapy”</i>	:	Treatment to stimulate or restore the ability of the immune system to fight infection and disease
<i>“bone marrow”</i>	:	Soft spongy tissue that lies within the hollow interior of bones
<i>“cardiology”</i>	:	The medical study of the structure, function, and disorders of the heart
<i>“chemotherapy”</i>	:	The treatment of cancer with anticancer drugs
<i>“colonoscopy”</i>	:	A procedure using a flexible tube to look at the internal lining of the colon and the rectum
<i>“CT”</i>	:	Computed tomography, a radiologic imaging that uses computer processing to generate an image of tissue density in slices through the patient’s body
<i>“cytotoxic”</i>	:	Toxic to living cells
<i>“drugs” or “medicine”</i>	:	Substances given to the patients to be ingested, applied or injected for the treatment of cancer
<i>“gastroscopy”</i>	:	An examination of the inside of the gullet, stomach and duodenum
<i>“genito-urinary”</i>	:	Pertaining to the genital and urinary organs
<i>“haematology”</i>	:	The branch of medicine involving study and treatment of the blood and blood-forming organs
<i>“haematology-oncology”</i>	:	A subspecialty of haematology that focuses on the understanding, evaluation and treatment of blood malignancies like leukemia, lymphoma and myeloma
<i>“hormonal therapy”</i>	:	Treating cancers by changing the hormone balance of the body, instead of by using cell-killing drugs

GLOSSARY OF TECHNICAL TERMS

<i>“germ cell”</i>	:	The cells in the body that develop into sperm and eggs
<i>“gynaecology”</i>	:	The branch of medical science which deals with women’s diseases and medical conditions
<i>“IMRT”</i>	:	Intensity-Modulated Radiation Therapy, which is an advanced mode of high-precision radiotherapy which uses computer-controls to deliver precise radiation doses to a tumour or specific areas within the tumour
<i>“leukemia”</i>	:	Cancer of the blood cells
<i>“lymphoma”</i>	:	Cancer of the lymph nodes
<i>“malignant”</i>	:	A term referring to a condition that is dangerous to health. A malignant tumour is one that is invasive and can spread to other parts of the body. In contrast, benign tumours stay localized
<i>“mammogram”</i>	:	An X-ray of the breast which is used to screen and detect breast cancer
<i>“micrometastases”</i>	:	Small numbers of cancer cells that have spread beyond the tumour, but are too small to be detected by diagnostic tests such as CT and MRI
<i>“monoclonal”</i>	:	Of or derived from a single clone
<i>“MRI”</i>	:	Short for Magnetic Resonance Imaging. An MRI machine uses a magnetic field and radio waves to create detailed images of the body
<i>“myeloma”</i>	:	A malignant tumour of the bone marrow
<i>“medical oncology services” or “oncology services”</i>	:	The use of chemotherapy, hormonal therapy, biological therapy and targeted therapy in the treatment of cancer, including haematology treatment and stem cell transplantation
<i>“nasopharyngoscopy”</i>	:	A procedure which enables examination of the internal surfaces of the nose and throat
<i>“oncology”</i>	:	The branch of medicine concerned with cancer, including the diagnosis, treatment and prevention of cancer
<i>“pap smear”</i>	:	A screening test for pre-cancerous and cancerous cells on the cervix

GLOSSARY OF TECHNICAL TERMS

<i>“radiation oncologist”</i>	:	A specialist physician who uses ionizing radiation in the treatment of cancer
<i>“radiologist”</i>	:	A medical specialist who uses radioactive substances and X-rays in the treatment of disease
<i>“radio-sensitisers”</i>	:	A drug that is used to enhance the effect of radiation therapy
<i>“radiotherapy”</i>	:	The treatment of disease by exposure to a radioactive substance
<i>“sarcoma”</i>	:	A malignant tumour arising from connective tissues
<i>“stem cells”</i>	:	Unique cells in the body that are unspecialised and have the ability to develop into several different types of cells
<i>“targeted therapy”</i>	:	A type of treatment that uses drugs or other substances to identify and attack specific types of cancer cells with less harm to normal cells
<i>“tomotherapy”</i>	:	A type of radiation therapy in which the radiation is delivered slice-by-slice

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would”, and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our financial position and financing plans;
- (b) our business strategies, trends and competitive position, and future plans;
- (c) plans and objectives of our Company for future operations;
- (d) the regulatory environment and the effects of future regulation;
- (e) our future earnings, cashflows and liquidity;
- (f) the ability to obtain expected patient volume levels and control costs of providing services;
- (g) our ability to enter and continue to operate in certain foreign markets;
- (h) efforts of insurers and governments to contain healthcare costs; and
- (i) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (i) changes in political, social, economic and stock or securities market conditions, and the regulatory environment in the countries in which we conduct business;
- (ii) the risk that we may be unable to execute or implement our business strategies and future plans;
- (iii) changes in currency exchange or interest rates;
- (iv) our anticipated growth strategies and expected internal growth;
- (v) changes in the availability and prices of materials which we require to operate our business;
- (vi) changes in patients’ preferences;
- (vii) the activities and financial health of our customers, suppliers and other business partners;
- (viii) changes in competitive conditions and our ability to compete under such conditions;

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

- (ix) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (x) delays, cost overruns, shortages in skilled and unskilled resources or other changes that impact the execution of our expansion plans (particularly specialists, medical officers, nurses and allied health workers);
- (xi) future regulatory changes affecting us or the countries in which we operate or may operate;
- (xii) liability for remedial actions under health and safety regulations;
- (xiii) the cost and availability of adequate insurance coverage;
- (xiv) war or acts of international or domestic terrorism;
- (xv) occurrences of catastrophic events, natural disasters and acts of God that affect our business;
- (xvi) other factors beyond our control; and
- (xvii) the factors described in the section entitled “Risk Factors” of this Offer Document.

These factors are discussed in greater detail in this Offer Document, in particular, but not limited to the discussions under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document. All forward-looking statements made by or attributable to us, our Directors, our Executive Officers or our employees acting on our behalf, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. Neither our Company, the Sponsor and the Placement Agent nor any other person represents or warrants that our Group’s actual future results, performance or achievements will be as discussed in those statements. Our Company, the Sponsor and the Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

We are, however, subject to the provisions of the SFA and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Invitation, our Company becomes aware of (a) a false or misleading statement or matter in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged and it is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor and the Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the New Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the New Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company, the Sponsor and the Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company, the Sponsor and the Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE INVITATION

The Sponsor has made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued and the New Shares which are the subject of the Invitation on Catalist. The dealing in, and quotation of, our Shares and the New Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

The Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed on Catalist and complies with the rules of the Listing Manual. Neither the Authority nor the SGX-ST has in any way considered the merits of the New Shares being offered for investment.

The registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority, does not imply that the SFA, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional upon the issue of the New Shares and the listing and quotation of all our existing issued Shares and the New Shares. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Sponsor or the Placement Agent.

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

We are subject to the provisions of the SFA and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Offer Document was lodged which would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document pursuant to Section 241 of the SFA.

DETAILS OF THE INVITATION

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the New Shares and:

- (a) where the New Shares have not been issued to the applicants, we shall either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and we shall, within seven days from the date of lodgement of the supplementary or replacement offer document, pay the applicants all monies the applicants have paid on account of their applications for the New Shares; or
- (b) where the New Shares have been issued to the applicants, we shall either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us the New Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the New Shares which they do not wish to retain title in; or
 - (iii) treat the issue of the New Shares as void, in which case the issue shall be deemed void and we shall within seven days from the date of lodgement of the supplementary or replacement offer document, pay the applicants all monies the applicants have paid on account of their applications for the New Shares.

An applicant who wishes to exercise his option under paragraph (a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven days from the receipt of such notification, pay to him all monies paid by him on account of his application for the New Shares.

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the New Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be

DETAILS OF THE INVITATION

evidence of title to those New Shares, to us, whereupon we shall, within seven days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those New Shares, and the issue of those New Shares shall be deemed to be void.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (the “**Stop Order**”) to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where this Offer Document contains any statement or matter which, in the Authority’s opinion, is (i) false or misleading, (ii) omits any information that should have been included in it under the SFA, or (iii) does not, in the Authority’s opinion, comply with the requirements of the SFA.

In the event that the Authority issues a Stop Order and applications to subscribe for the New Shares have been made prior to the Stop Order, then:

- (a) where the New Shares have not been issued to the applicants, the applications for the New Shares shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares; or
- (b) where the New Shares have been issued to the applicants, the issue of the New Shares shall be deemed to be void and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the New Shares.

Where monies are to be returned to applicants for the New Shares, they shall be paid to the applicants without any interest or share of revenue or benefit arising therefrom at the applicants’ own risk, and the applicants will not have any claim against our Company, the Sponsor or the Placement Agent.

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts, the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

Neither our Company, the Sponsor, the Placement Agent nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares.

The New Shares are offered for subscription solely on the basis of the information contained and the representations made in this Offer Document.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Sponsor or the Placement Agent. Neither the delivery of this Offer Document, the Application Forms nor any document relating to the Invitation shall, under any circumstances, constitute a

DETAILS OF THE INVITATION

continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiary or in any statement of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, we will promptly make an announcement of the same to the SGX-ST and if required under the SFA, a supplementary or replacement offer document will be issued and made available to the public after a copy thereof has been lodged with the SGX-ST acting as agent on behalf of the Authority. All applicants should take note of any such announcement and/or supplementary or replacement offer document and, upon the release of such an announcement and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our subsidiary.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the New Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

HONG LEONG FINANCE LIMITED

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

UOB KAY HIAN PRIVATE LIMITED

8 Anthony Road
#01-01
Singapore 229957

An electronic copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Application List will open immediately upon the registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority (the “Registration”) on 17 January 2014 and will remain open until 12.00 noon on 27 January 2014 on the same day or for such further period or periods as our Directors may, in consultation with the Sponsor and the Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for the New Shares are described under the “Terms, Conditions and Procedures for Applications” section as set out in Appendix F of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Invitation and trading of our Shares is set out below for reference of applicants:

Indicative Time and Date	Event
17 January 2014 (immediately upon Registration)	Opening of Application List
12.00 noon on 27 January 2014	Close of Application List and closing date and time for the Invitation
9.00 a.m. on 30 January 2014	Commence trading on a “ready” basis
5 February 2014	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 27 January 2014, the date of admission of our Company to the Official List of the Catalist of the SGX-ST is 30 January 2014, the SGX-ST’s shareholding spread requirement will be complied with and the New Shares will be issued and allotted (as the case may be) and fully paid-up prior to 30 January 2014. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a “ready” basis and the commencement date of such trading.

Investors should consult the SGX-ST’s announcement on the “ready” trading date on the internet (on the SGX-ST’s website at <http://www.sgx.com>) or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

In the event of any changes in the close of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (a) through an SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com>; and
- (b) in major English language newspaper(s) in Singapore.

We will publicly announce details of the results of the Invitation as soon as it is practicable after the close of the Application List through the channels described in (a) and (b) above.

PLAN OF DISTRIBUTION

The Issue Price was arrived at after consultation between our Company, the Sponsor and the Placement Agent and after taking into consideration, amongst other things, prevailing market conditions and estimated market demand for the New Shares determined through a book-building process. The Issue Price is the same for all the New Shares and is payable in full on application.

Hong Leong Finance was appointed as the Sponsor and to manage the Invitation. Pursuant to the Sponsorship and Management Agreement, the Sponsor will receive a fee from our Company for its services as the Sponsor in connection with the Invitation.

New Shares

Applications for the New Shares may only be made by way of Application Forms. The terms and conditions and procedures for application are described in Appendix F – “Terms, Conditions and Procedures for Applications” of this Offer Document.

Pursuant to the terms and conditions in the Placement Agreement, the Placement Agent has agreed to subscribe and/or procure subscriptions for the New Shares at the Issue Price for a placement commission of 2.5% of the Issue Price for each New Share, payable by our Company. The Placement Agreement may be terminated by the Placement Agent at any time prior to the dealing of the New Shares upon the occurrence of certain events, including, among other things, certain force majeure events or any breaches of the warranties or undertakings in the Placement Agreement by our Company. The Placement Agent shall be at liberty to appoint one or more sub-placement agents for the New Shares.

Subscribers of the New Shares may be required to pay a brokerage of up to 1.0% of the Issue Price (and the prevailing GST, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

Miscellaneous

To the best of our knowledge, as at the Latest Practicable Date, none of our Directors or Substantial Shareholders intends to subscribe for the New Shares pursuant to the Invitation. If such person(s) were to make an application for New Shares and are subsequently allotted and/or allocated such number of New Shares, we will make the necessary announcements at an appropriate time.

To the best of our knowledge, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5% of the New Shares in the Invitation. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his interest to subscribe for more than 5% of the New Shares. If such person(s) were to make an application for more than 5% of the New Shares and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allocation of Shares will be in accordance with the shareholding spread and distribution guidelines set out in the Listing Manual.

No Shares shall be allotted or allocated on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.

Material Relationships

Save for Hong Leong Finance's role as the Sponsor in connection with the Invitation, as well as its role as our continuing sponsor following our admission to Catalist, in the reasonable opinion of our Directors, we do not have any material relationship with Hong Leong Finance.

Save for UOBKH's role as the Placement Agent in connection with the Invitation, in the reasonable opinion of our Directors, we do not have any material relationship with UOBKH.

OFFER DOCUMENT SUMMARY

The following summary highlights certain information found in greater detail elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. In addition to this summary, we urge you to read the entire Offer Document carefully, especially the section entitled “Risk Factors” of this Offer Document, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP AND BUSINESS ACTIVITIES

Our Company was incorporated on 10 September 2013 under the laws of Singapore as a private company limited by shares and became the holding company of our Group pursuant to the Restructuring Exercise.

Our Group has its origins in a company, HCC, which was formed by Dr Ang Peng Tiam and Dr Teo Cheng Peng in 1997 with Dr Ang Peng Tiam holding 70% of the initial shareholding and Dr Teo Cheng Peng holding the remaining 30%. Prior to that, PTAMS was set up by Dr Ang Peng Tiam to realise his vision of bringing medical oncologists and haemato-oncologists together to form a cancer centre in the private sector. In 2004, new shares in the capital of MedInc, an existing company, were issued and allotted to Dr Ang Peng Tiam and Dr Teo Cheng Peng such that they each had an equal shareholding in MedInc.

In 2005, Dr Khoo Kei Siong and Dr Lim Hong Liang subsequently came on board and the shares in HCC were redistributed such that Dr Ang Peng Tiam, Dr Teo Cheng Peng and Dr Khoo Kei Siong each had a shareholding interest of 28.3% in HCC with Dr Lim Hong Liang holding the remaining 15.0%. The shares in MedInc and MOS, a company which was then wholly-owned by Dr Lim Hong Liang, were also redistributed in the same proportion amongst the four Specialist Doctors.

On 25 September 2006, the Specialist Doctors entered into the SCC Shareholders' Agreement in anticipation of their entering into the Original Consultancy Agreement with PHS. All four practices under PTAMS, HCC, MedInc and MOS were merged into one entity – SCC, so as to provide multidisciplinary care and develop ancillary support services for the cancer patients, which solo practices are unable to provide. On 26 September 2006, SCC then entered into the Original Consultancy Agreement with PHS to establish PCC as an oncology service provider and provide oncology services for all of PHS' cancer patients. The four practices under PTAMS, HCC, MedInc and MOS were merged into SCC in order to provide the medical oncology services under the Original Consultancy Agreement and all the existing patients from the four practices were also transferred to PCC.

As at the Latest Practicable Date, our Group's principal activity is the provision of medical oncology services. We intend to expand our range of medical services beyond the provision of oncology services and haematology services. SCC commenced operations in November 2006 and operates under the PCC brand through a contractual arrangement between SCC and PHS. Through SCC, our Group offers comprehensive cancer treatment with a highly skilled, multi-disciplinary team comprising consultant medical specialists, nurses and other para-medical professionals to meet the specific needs of each cancer patient.

Our Group currently provides medical oncology services to patients through the PCC vehicle, a sole proprietorship owned by PHS, with SCC Employees out of 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).

OFFER DOCUMENT SUMMARY

About SCC

SCC was incorporated on 6 December 2004 under the laws of Singapore as a private limited company. SCC is a wholly-owned subsidiary of our Company which offers comprehensive cancer treatment.

SCC entered into the Original Consultancy Agreement on 26 September 2006 with PHS in relation to the provision of specialist medical oncology services by SCC to PCC and to be performed by the Specialist Doctors. Pursuant to the Restructuring Exercise and in preparation for our listing on the Catalist, certain terms of the Original Consultancy Agreement, as amended, supplemented and modified by the Consultancy Supplemental Agreement, were amended and restated in the Consultancy Restatement Agreement. The scope of services to be provided by SCC to PCC was also expanded to include, in addition to the provision of specialist medical oncology services, the provision of the services by SCC to PCC in connection with the management of the leases and sub-leases granted by SCC to PCC.

SCC commenced operations in November 2006 and operates under the PCC brand name through a consultancy agreement arrangement between SCC and PHS. Through SCC, our Group offers comprehensive cancer treatment with a highly skilled, multi-disciplinary team comprising consultant medical specialists, nurses and other para-medical professionals to meet the specific needs of each cancer patient.

Please refer to the “Restructuring Exercise” section and the “General Information on our Group” section of this Offer Document for further details.

OUR COMPETITIVE STRENGTHS

We believe our competitive strengths are as follows:

- our doctors have an established market reputation;
- we provide a continuum of healthcare services to our oncology patients;
- our strategic alliance with PHS;
- an experienced and proven management team; and
- we are able to tap on the medical tourism sector in Singapore.

Please refer to the “General Information on our Group – Competitive Strengths” section of this Offer Document for more information.

OUR PROSPECTS

The following information is primarily based on the market knowledge of our Executive Directors.

Singapore is a regional medical hub and attracts overseas patients to undergo medical care. Singapore’s reputation as a regional medical hub augurs well for our Group. Our number of patient-visits has been maintained at approximately 38,000 per annum over the past three years from 2010 to 2012. As more overseas patients seek medical treatment in Singapore, our pool of

OFFER DOCUMENT SUMMARY

doctors are poised to tap on this demand and we expect to benefit from the increase in demand for such healthcare services. In addition, we intend to focus on organic growth over the next few years and build up our panel of experienced consultants.

In general, the demand for the specialist medical oncology and haematology healthcare services provided by our Group may be affected by a slowdown in the global economy as both potential and existing patients may be more cautious about their healthcare expenditure. Notwithstanding the above, the global oncology drugs industry experienced significant growth during the past five years and is expected to continue that momentum to reach an estimated US\$100.6 billion in 2018. A combination of factors such as technology innovations, medical insurance coverage, aging population, and changing lifestyles are seen to affect market dynamics significantly. All of these factors lead to an increase in demand for the medical oncology services.

Based on the foregoing and our competitive strengths, our Directors are cautiously optimistic about the prospects of our Group.

Our Directors believe that save as disclosed above and in the “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group – Prospects” sections of this Offer Document and barring any unforeseen circumstances, there are no other known trends, uncertainties, demands, commitments or events in FY2013, that are reasonably likely to have a material and adverse effect on our revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the “Cautionary Note Regarding Forward-Looking Statements” section of this Offer Document.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

We intend to implement the following business strategies and future plans to grow and expand our business:

- expanding our talent pool;
- expanding our repertoire of healthcare services;
- overseas expansion; and
- improving the quality of our medical services.

Please refer to the “General Information on our Group – Business Strategies and Future Plans” section of this Offer Document for more information.

WHERE YOU CAN FIND US

Our registered address is 101 Thomson Road, #09-02 United Square, Singapore 307591 and our principal place of business is 3 Mount Elizabeth #13-16/17, Mount Elizabeth Hospital, Singapore 228510.

The telephone and fax numbers of our registered office are +65 6258 6918 and +65 6258 0648, respectively. Our company registration number is 201324565Z.

OFFER DOCUMENT SUMMARY

FINANCIAL HIGHLIGHTS

You should read the following summary financial information in conjunction with the full text of this Offer Document, including the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document, the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012” in Appendix A of this Offer Document and the “Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013” in Appendix B of this Offer Document. Our financial statements are prepared and presented in accordance with Singapore Financial Reporting Standards.

Selected items from the “Statements of Comprehensive Income of our Group”⁽¹⁾

S\$’000	← Audited →	← Unaudited →			
	FY2010	FY2011	FY2012	1H2012	1H2013
Revenue	48,342	49,135	51,857	25,238	27,039
Other items of income					
Other income	49	9	10	–	4
Items of expense					
Employee benefits	(9,004)	(9,540)	(9,787)	(4,650)	(5,273)
Operating lease expenses	(202)	(239)	(287)	(162)	(143)
Other operating expenses	(159)	(122)	(3,299)	(1,545)	(2,701)
	(9,365)	(9,901)	(13,373)	(6,357)	(8,117)
Profit before tax	39,026	39,243	38,494	18,881	18,926
Income tax expense	(6,598)	(6,645)	(6,516)	(3,198)	(3,203)
Profit for the year, representing total comprehensive income for the year attributable to owners of the Company	32,428	32,598	31,978⁽²⁾	15,683	15,723
EPS (cents)⁽³⁾	5.87	5.91	5.79	2.84	2.85
EPS (adjusted for New Shares) (cents)⁽⁴⁾⁽⁵⁾	4.93	4.96	4.87	2.39	2.39

Notes:

- (1) Please refer to Appendix A for the Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012 and Appendix B for the Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013.
- (2) The net profit for FY2012 would remain the same had the Service Agreements been in place since 1 January 2012.
- (3) For comparative purposes, EPS is calculated based on the Profit after tax for the year and the pre-Invitation share capital of our Company of 552,000,000 Shares.
- (4) For comparative purposes, EPS is calculated based on the Profit after tax for the year and the post-Invitation share capital of our Company of 657,143,000 Shares.
- (5) The fully diluted EPS and EPS as adjusted for the New Shares are the same as the EPS and EPS as adjusted for the New Shares, respectively.

OFFER DOCUMENT SUMMARY

Selected items from the “Statement of Financial Position of our Group”⁽¹⁾

	30 June 2013 \$'000	31 December 2012 \$'000
	(Unaudited)	(Audited)
<u>Assets</u>		
Non-current assets		
Plant & equipment	2	–
	2	–
Current assets		
Trade and other receivables	8,209	6,036
Cash and cash equivalents	17,355	16,752
Total current assets	25,564	22,788
Total assets	25,566	22,788
<u>Equity & Liabilities</u>		
Current liabilities		
Other payables	584	760
Accrued operating expenses	5,957	3,416
Income tax payable	6,206	6,516
Total liabilities	12,747	10,692
Net current assets	12,817	12,096
Net assets	12,819	12,096
Equity attributable to owners of the Company		
Share capital	1	1
Retained earnings	12,818	12,095
Total equity	12,819	12,096
Total equity and liabilities	25,566	22,788

Note:

- (1) Please refer to Appendix A for the Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012 and Appendix B for the Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013.

THE INVITATION

Issue size	:	105,143,000 New Shares.
		The New Shares shall upon allotment and issue be free from all pre-emption rights, charges, liens and other encumbrances and, rank in all respects <i>pari passu</i> with our existing issued Shares.
Issue Price	:	\$0.20 for each New Share.
Invitation	:	The Invitation comprises a placement by the Placement Agent on behalf of our Company of 105,143,000 New Shares at the Issue Price, upon the terms and subject to the conditions of this Offer Document.
Purpose of the Invitation	:	Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and internationally and enable us to tap the capital markets to fund the expansion of our business operations. The Invitation will also provide members of the public and our employees with an opportunity to participate in the equity of our Company. Please refer to the “Use of Proceeds and Listing Expenses” section of this Offer Document for more information.
Listing status	:	There has been no public market for our Shares prior to the Invitation. Our Shares will be quoted in Singapore dollars on the SGX-ST, subject to admission of our Company to the Official List of the Catalist of the SGX-ST and permission for dealing in, and for quotation of, our Shares and the New Shares being granted by the SGX-ST and the Authority not issuing a Stop Order.
Risk Factors	:	Investing in our Shares involves risks which are described in the “Risk Factors” section of this Offer Document.

RISK FACTORS

An investment in our Shares involves risks. Prospective investors should carefully consider and evaluate each of the following considerations and all other information set forth in this Offer Document before deciding to invest in our Shares. The following describes some of the significant risks known to us now that could directly or indirectly affect us and the value or trading price of our Shares. The following does not state risks unknown to us now but which could occur in the future, and risks which we currently believe to be immaterial, which could turn out to be material. Should these risks occur or turn out to be material, they could materially and adversely affect our business, financial condition, results of operations and prospects. To the best of our Directors' knowledge and belief, all risk factors which are material to investors in making an informed judgment of our Group have been set out below. If any of the following considerations, uncertainties or material risks develop into actual events, our business, operations, prospects, financial conditions and/or results of operations could be materially and adversely affected. In such cases, the trading price of our Shares could decline and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Investors should also consider the information provided below in connection with the forward-looking statements in this Offer Document and the warning regarding forward-looking statements at the beginning of this Offer Document. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document.

RISKS RELATING TO OUR BUSINESS

We are dependent on our key executive, Dr Ang Peng Tiam

The Company's medical oncology services business is spearheaded by Dr Ang. Dr Ang plays an instrumental role in the Company and contributed to approximately 69.2% of the Group's revenue for the six months ended 30 June 2013. If the Group should lose Dr Ang's services, it is expected that the Group's management and medical oncology services business would be adversely affected. Although there are succession plans in place to continue to develop our talent pool in order to ensure management continuity and Dr Ang has also undertaken to help the other consultants develop their practice, the loss of the services of Dr Ang may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

We are highly dependent on our doctors, nurses and other healthcare professionals, as well as other key personnel

The Group's performance and growth will depend substantially on its ability to attract and retain doctors with the requisite expertise and other healthcare professionals in the medical oncology field. The demand for doctors is highly competitive and the supply in this field is even more limited. Many of our existing doctors have large patient bases and referral networks. If any of them chooses to leave the Group, their patients may also choose to leave and follow them to their new clinics or hospitals. As such, our patient base will be adversely affected if we cannot obtain suitable and timely replacements. This may have a material adverse effect on our business, financial condition, results of operations and prospects. Further, we may not be able to successfully attract and recruit highly qualified specialist medical practitioners in the future in line with our expansion plans.

RISK FACTORS

The Group's performance also depends on its ability to attract and retain other healthcare professionals such as nurses and pharmacy technicians to support the services provided by the Company. Healthcare professionals require professional licences to practise and it may take years to train a healthcare professional. The worldwide nursing shortage and the fact that doctors and nurses qualified in one country may not be recognised in another country makes it challenging for the Company to employ doctors and nurses qualified to work outside the countries in which the Company currently operates, hence impacting its overseas expansion plans.

If the Company is unable to attract or retain the necessary personnel, this may adversely affect the quality of the services provided by the Company. Increased manpower costs to recruit and retain the requisite personnel may also adversely affect the Company's business, financial condition, results of operations and prospects.

Failure to retain services of our management team and key personnel will adversely affect our operations and results

We attribute our success to the leadership and contributions of our founding Directors, namely Dr Ang Peng Tiam and Dr Khoo Kei Siong, who have been instrumental in charting the business direction and spearheading our growth. The founding Directors have managed to attract and retain a significant number of healthcare professionals who share the same vision. We rely on their extensive knowledge and experience in corporate management, strategic planning and business practices of the medical industry. The loss of services of any of them could have an adverse effect on our Group.

We expect to face increasing competition for management personnel from our competitors. Our continued success is therefore dependent to a large extent on our ability to retain our key management personnel, who have extensive experience in the medical industry and who are responsible for formulating and implementing our growth, corporate development and overall business strategies. The demand for such experienced personnel is intense and the search for personnel with the relevant skill sets can be time consuming. The loss of our key management personnel without suitable and timely replacements, or our inability to attract and retain qualified management personnel, could materially and adversely affect our financial position, results of operations, business, future growth and prospects. Please refer to the section entitled "Directors, Executive Officers and Employees" of this Offer Document for details of our Executive Directors and Executive Officers.

There may be a material disruption to our business if the Consultancy Restatement Agreement between SCC and PCC is terminated or is not renewed

Under the Consultancy Restatement Agreement, PHS will refer all of its cancer and suspected cancer cases for adults (save for patients requiring haematology and haemato-oncology treatment) to PCC and PHS shall manage the operations of PCC (mainly in relation to areas of marketing and customer relation management). PHS is obliged under the Consultancy Restatement Agreement to promote and market the business of PCC at its own cost. Furthermore, the Specialist Doctors shall in the performance of the medical oncology services, utilise the support services offered by PHS and its Affiliates including hospitals, laboratories and radiology services.

The Consultancy Restatement Agreement provides that it shall commence on 1 October 2013 and shall continue till 31 October 2016 (the "Initial Period") unless otherwise terminated. The renewal of the Consultancy Restatement Agreement for a further period of 15 years (at the option of PCC or SCC) is subject to the satisfaction of certain conditions as described in the Consultancy

RISK FACTORS

Restatement Agreement. The Consultancy Restatement Agreement may be terminated by PCC at any time by giving not less than six months' prior notice in the event that the Specialist Doctors collectively cease to have Effective Control over SCC, or where the Company is the shareholder of SCC, over the Company, or where the Board of Directors of the Company or SCC ceases to comprise at least two Specialist Doctors who are also executive directors. If the Consultancy Restatement Agreement is terminated or not renewed, the Company will suffer a loss of future referrals from PHS and this will adversely affect the Company's business, financial condition and prospects.

Our current business model is premised on the provision of tertiary healthcare services to oncology patients in Singapore through the PCC vehicle and our Group does not operate any clinics directly (the licences for the operation of the clinics are granted to PCC by MOH under the Private Hospitals and Medical Clinics Act 1980 (Chapter 248)). If the Consultancy Restatement Agreement is terminated or not renewed, the resultant loss of PCC's existing licences or qualifications in respect of our business operations and healthcare professionals would result in a material disruption to the operation of our business and our operating results may be adversely affected.

Please refer to the "General Information on our Group – Business and Principal Activities" section of this Offer Document for further information on the Consultancy Restatement Agreement.

The terms of the Consultancy Restatement Agreement might be adjusted unfavourably

We have entered into the Consultancy Restatement Agreement on 18 September 2013, pursuant to which we collected all of our revenue. There is no assurance that the terms of the Consultancy Restatement Agreement will not be modified, adjusted or amended. Any unfavourable modification, adjustment or amendment may adversely affect our prospects and future financial performance.

We may not have adequate insurance coverage

We have maintained insurance coverage for our employees, office and service facilities, details of which are set out in the "General Information on our Group – Insurance" section of this Offer Document. However, we are nevertheless exposed to potential liability risks that are inherent to the provision of healthcare services. There is no assurance that our insurance coverage would be sufficient and as such, any uninsured loss or a loss in excess of insured limits may adversely affect our business and financial performance.

There is no assurance that our future plans will be successful

Our Group's business, through SCC, has been in medical oncology in general. We have since branched into the provision of medical services in the fields of haematology, paediatric oncology and stem cell transplants to provide more diversified medical services. We intend to expand our business operations in Singapore and overseas, such as establishing additional satellite centres or strategic alliances and joint ventures with other hospitals with no existing cancer facilities in the region within ASEAN and Asia, in particular Malaysia, Indonesia, Vietnam, Philippines, the PRC, India, Myanmar and Cambodia. Such expansion plans may also include the expansion of existing facilities and the acquisition of companies that are complementary to our existing businesses.

RISK FACTORS

We may not be able to effectively manage such a larger enterprise or achieve the desired profitability from such expansion. Significant funding will also be required for such expansion plans. In the event that we do not have sufficient internal funds available and are unable to secure third party financing on acceptable terms, or at all, to fund such expansion plans, we may not be able to proceed with our expansion plans.

The scope and complexity of our operations would also increase significantly due to the expansion of our geographical reach. The future ventures we plan to undertake could be subject to certain risks, including but not limited to:

- (i) difficulties arising from operating a significantly larger and more complex organisation and expanding into new territories such as having to deal with unfamiliar government authorities and regulations;
- (ii) difficulties in the integration of the assets and operations of the new satellite centres, strategic alliances and joint ventures with our existing facilities and clinics;
- (iii) the failure to realise expected profitability or growth;
- (iv) the failure to realise expected synergies and cost savings;
- (v) unforeseen legal, regulatory, contractual, labour or other issues; and
- (vi) difficulties arising from language, cultural and geographical barriers.

We may not be able to identify expansion opportunities or experience difficulties in implementing such projects

Our growth depends, to a certain extent, on our ability to fund, establish and manage additional clinics, satellite centres, strategic alliances and joint ventures. Such expansions are capital expenditure intensive. We may not be able to identify suitable sites for new clinics, satellite centres or facilities, or negotiate attractive terms for such expansions, or expand, improve and augment our existing businesses. The number of attractive expansion opportunities may be limited, and may command high valuations, which we may be unable to secure the necessary financing for. If the Company is unable to successfully identify opportunities for the aforementioned expansions or face difficulties in the process of such expansions, the Company's business, financial condition, results of operations and prospects may be materially and adversely affected.

We may not be able to successfully compete for patients with other similar medical oncology service providers across the countries and regions in which we operate

The healthcare business is highly competitive, and competition among healthcare providers for patients has intensified in recent times. We compete with government-owned hospitals, other private hospitals, smaller clinics, hospitals owned or operated by non-profit and charitable organisations and hospitals affiliated with medical colleges in the area of medical oncology services. Some of these competitors may have longer operating histories, are more established, and have greater financial, personnel and other resources than our clinics and facilities. Competitors may price their services at a lower quantum than ours and exert pricing pressures on us. Some of our competitors may also have plans to expand their facilities, which may exert further pricing and recruitment pressure on us. Increased competition may result in lower profit margins and a loss of market share.

RISK FACTORS

Our success depends on our ability to compete effectively against our competitors. If we are forced to reduce the prices of our services or are unable to attract patients, doctors and other healthcare professionals to our clinics and facilities, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be affected by any increase in rental or the failure to procure the renewal of our existing leases for our clinics

SCC leases the premises of our existing clinics. Our present lease terms for most of our clinics are for a period of three years or less. Upon the expiry of the leased tenure, the landlords have the right to review and revise the terms and conditions of the lease agreements. We face the possibility of an increase in rental by the landlords or not being able to renew the leases on terms and conditions favourable to us. Any increase in rentals would inevitably increase our operating costs, thereby affecting our profits. We will also incur additional costs if we have to relocate our clinics. The details of the leases of each of our clinics are set out in the section “General Information on our Group – Properties and Fixed Assets” of this Offer Document.

RISKS RELATING TO THE MEDICAL HEALTHCARE INDUSTRY

Private healthcare services may decline due to a number of factors, affecting the Company’s revenue

A slowdown in the economies in which we operate may lead to a decrease in demand for private healthcare services as more patients may opt for subsidised public healthcare services instead, or opt for treatment from other private healthcare providers that are more price competitive. Our revenue would be adversely affected if individual patients, corporate clients and government clients are more cautious about their medical expenses and less keen to pay for private healthcare services. A decrease in the demand for our private medical oncology services, from individual patients, corporate clients and government clients, will have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

Compliance with applicable safety, health, environmental and other governmental regulations may be costly

We are currently subject to laws, rules and regulations in Singapore governing *inter alia*:

- (i) conduct of the operations of PCC;
- (ii) additions to facilities and services;
- (iii) adequacy of medical oncology services;
- (iv) quality of medical facilities, equipment and services;
- (v) medications and drugs prescribed to patients;
- (vi) qualifications of medical and support personnel;
- (vii) handling and disposal of bio-medical, radioactive and other hazardous waste; and
- (viii) confidentiality and maintenance of patient records and information.

RISK FACTORS

The medical healthcare industry is a highly regulated industry and changes in regulatory requirements would require compliance hence resulting in higher operating costs. Furthermore, in the event that the Company is held by courts or governmental agencies to be in violation of any regulations or laws in relation to the above, including conditions in the permits required for the Company's operations, the Company may have to pay fines, modify, suspend or discontinue operations, incur additional operating costs or make capital expenditures. Criminal charges may also be pressed against our employees in certain circumstances. Any such costs of legal proceedings will result in a material adverse effect on our business, financial condition, results of operations and prospects.

Regulation of healthcare costs and tariffs may adversely affect the Company

While regional demand for private healthcare is expected to grow in the long term, there exists pressure to curtail healthcare costs. In the long term, governments in the region may seek to restrain healthcare expenditure by regulating various aspects of the healthcare market, including:

(i) Controlling the cost of pharmaceuticals and other medical supplies

Some governments in the region have been actively encouraging the use of generic drugs to counter the high cost of proprietary (or branded) pharmaceutical products and supplies. This is intended to lower the cost of pharmaceutical products and other medical supplies. With the trend towards the increased use of generic products, the Company's revenues from the sale of medicines and drug prescriptions will be adversely affected.

(ii) Increasing the number of doctors and private sector healthcare providers to increase competition and lower prices

Increase in competition within the private healthcare sector for healthcare services will exert pressure on rates and hence will adversely affect the financial performance of the Company's operations and the Company's revenues from the provision of medical oncology services to patients.

We are subject to risks of medical and legal claims and regulatory actions arising from the provision of our medical oncology services and business operations

The provision of healthcare and medical services entails inherent risks of liability. The Group may be subject to complaints or legal action arising out of the conduct of our business and the performance of services provided by us. Complaints, allegations and legal actions, with or without merit, may be made or taken against us and/or our healthcare professionals in relation to, *inter alia*, our services, the marketing activities we conduct, negligence or medical malpractice. Such complaints, allegations and legal actions, regardless of their validity, may lead to negative publicity, which may affect the number of patients visiting our medical clinics.

The Group's financial performance may be materially and adversely affected if (a) the damages assessed and the legal costs incurred in connection with any legal action are substantial and (b) judgment is made against the Group which may harm its professional standing and market reputation. Medical malpractice litigation or disciplinary actions from governing professional bodies may be brought against the doctors. Due to the fact that we treat cancer, which in itself does not have guaranteed positive outcomes, we are exposed to the risk of such medical malpractice litigation or disciplinary actions. If such medical malpractice litigation is not decided in our favour or the doctor's favour, our business, financial position, results of operations and

RISK FACTORS

prospects may be adversely affected. There is also no assurance that the medical and legal claims that may be made against us will not be in excess of the amount covered by our insurance policies or that such insurance policies are comprehensive and cover all types of claims.

We may be involved from time to time in material disputes with various parties in the ordinary course of our business. These disputes may lead to legal or other proceedings, and may result in damage to our reputation, substantial costs and diversion of our resources and management's attention. If such legal proceedings occur, we cannot assure you as to their outcome, and any negative outcome may materially and adversely affect our business, financial condition and results of operations.

We may be affected by the spread or outbreak of any contagious or virulent diseases

The spread of any contagious or virulent diseases may potentially affect our operations. Although cancer care is less affected by these factors as compared to other specialities like elective surgeries because cancer care is more acute and time-sensitive (postponement of treatment would result in poorer outcomes), in the event that any of the employees in our clinics is infected with any contagious or virulent diseases, we may be required to temporarily shut down our clinics for an uncertain period of time to contain the spread of such disease. Potential patients from overseas may also decide to seek medical treatment from clinics in other countries. This would negatively impact our business.

We are subject to regulations and licensing requirements governing the healthcare industry and we may not be able to retain, renew or obtain licences and permits necessary for the operation of our business

Our business operations, which as of the Latest Practicable Date consist of the provision of medical oncology services to patients through the PCC vehicle, are subject to various laws and regulations issued by various governmental agencies. In Singapore, we/PCC are regulated by the MOH, the SMC, the Health Sciences Authority and the Ministry of Manpower.

Such rules and regulations relate to, *inter alia*, pricing of medical services, procurement of medical equipment, the licensing and operation of medical establishments, and the licensing of medical staff. See the sub-section entitled "Government Regulations" under "General Information of our Group" of this Offer Document. See "Risk Factors – Risks relating to our countries of operation" for a detailed discussion of the specific regulatory risks faced by us.

If we fail to comply with such applicable laws and regulations, we could be subject to penalties or be required to make significant changes to our business and operations. The possible penalties we could face include the loss of PCC's operational licenses, suspension or cessation of operations and suspension from the use of PCC's medical equipment.

Any changes in government regulations or the introduction of new applicable laws and regulations may have a negative impact on our business due to an increase in compliance costs. The relevant authorities such as the MOH and the SMC may suspend or deny renewal of PCC's existing licences or qualifications in respect of our business operations and healthcare professionals if they determine that we/PCC do not meet applicable standards. Although PCC has satisfied the licensing requirements for its present business and operations, there is no assurance that it will be able to maintain these licences or obtain these licences for its future operations. If we/PCC fail to maintain or renew governmental licences, permits, qualifications and approvals, PCC's operations and hence, our business of providing medical oncology services will be affected and our operating results may be adversely affected.

RISK FACTORS

Challenges faced by the healthcare industry may also have an effect on the Company

Our business, financial condition, results of operations and prospects may be affected by the challenges currently faced by the healthcare industry, including but not limited to:

- (i) economic and business climate at local, regional and international levels;
- (ii) increase in the threat of terrorism and occurrence of natural and man-made disasters that affect travel security or the global economy may reduce the number of medical travellers;
- (iii) improvements in the quality of healthcare services in other countries may affect the number of medical travellers coming to the Company's clinics and facilities for the medical oncology services;
- (iv) rising costs of medicines and pharmaceutical drugs;
- (v) stricter laws and regulations relating to the protection of patient information from unauthorised disclosure; and
- (vi) stricter laws and regulations governing the purchase and dispensation of medicines and pharmaceutical drugs.

For example, a lot of medical supplies (especially medical drugs) are patented products and equipment maintenance and consumables are usually tied to the original equipment manufacturer. As such, healthcare institutions, including PCC which makes purchases (including those of equipment and supplies) for the operation of PCC, have lesser bargaining power as there are no available alternatives. If the Group is unable to effectively address the abovementioned challenges, there may be a material adverse effect on the Group's business, financial condition, results of operations and prospects.

We may be exposed to risks in relation to the disposal of biological hazards and the use of certain medical equipment

Part of the operations of the clinics will involve the disposal of biological hazards as well as cytotoxic drugs. It is necessary for us to dispose the biological hazards and use such equipment in accordance with procedures prescribed under the law. Failure to comply with these procedures may expose us to fines or suspension by the relevant authorities. In addition, any injury or damage caused by the wrongful disposal of biological hazards or misuse of medical equipment may expose us to civil claims from injured parties. If the above were to occur, our financial performance, financial condition, professional standing and market reputation will be adversely affected.

RISKS RELATING TO OUR COUNTRIES OF OPERATION

We are subject to political, economic and social developments as well as the laws, regulations and licensing requirements in Singapore and elsewhere

Our business, prospects, financial condition and results of operations may be adversely affected by political, economic, social and legal developments that are beyond our control in the countries in which we operate in. Such political and economic uncertainties may include risks of war, terrorism, nationalism, expropriation or nullification of contracts, changes in interest rates, economic growth, national fiscal and monetary policies, inflation, deflation, methods of taxation

RISK FACTORS

and tax policy. Negative developments in the socio-political climate of Singapore and the region may also adversely affect the Company's business, financial condition, results of operations and prospects. The regional countries are in a state of rapid political, economic and social changes, which will entail risks to our business and operations if we are to expand in the region in future. As such, we are unable to assure you that we will be able to adapt to the local conditions, regulations and business practices and customs in future. Any changes implemented by the governments of the countries in which we operate resulting, *inter alia*, in currency and interest rate fluctuations, capital restrictions, and changes in duties and taxes detrimental to our business could materially and adversely affect our operations and financial performance.

Currently, we have in place a number of existing regulatory licenses, approvals and permits for the purposes of our business operations. We will continue to seek the appropriate licenses, approvals and permits in the event that the Company expands its operations to other countries in which it does not currently operate in. The licences and permits we have obtained are subject to conditions stipulated in the licences and permits and/or in the relevant laws, rules and regulations under which they have been issued. These conditions must be complied with for the duration of the licences and permits. Where there is a failure to comply fully, the relevant authorities have the power to revoke the licences and permits. In the event this happens, our business, operations and financial position will be adversely affected. If our licences are revoked or renewal of such licences and permits cannot be obtained, or the terms imposed for renewal are not acceptable or favourable to us, our operations and business may be adversely affected. Consequently, our financial condition, results and prospects will be adversely affected.

There is no assurance that upon the expiration of the licenses, approvals or permits under which the Company carries on its business operations, the Company will be able to successfully renew them in a timely manner or at all, or that the renewal of these licenses will be granted on terms acceptable to us, or that if the relevant authorities enact new laws and regulations, the Company will be able to successfully comply with these requirements.

The Company may also expand to other cities where we do not possess the same level of familiarity with the regulations and business climate in those cities. We cannot assure investors that we will be able to obtain the requisite licenses, approvals and permits in those cities. Any failure by the Company to obtain the requisite licenses, approvals and permits in a timely manner and any unforeseen difficulties arising from the new and unfamiliar territories may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

RISKS RELATING TO THE INVESTMENTS IN OUR SHARES

There has been no prior public market for our Shares and there may not be an active or liquid market for our Shares

Prior to the listing of our Shares on the Catalist, there has been no public market for our Shares. Although we have made an application to the SGX-ST for our Shares to be listed for quotation on the Catalist, there can be no assurance that an active public market will develop or be sustained after the listing of our Shares on the Catalist. There is also no assurance that the market price for our Shares will not decline below the Issue Price. Liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. If an active public market for our Shares does not develop after the listing of our Shares on the Catalist, the market price and liquidity of our Shares may be adversely affected.

RISK FACTORS

Our Share price may fluctuate significantly in future which could result in substantial losses for investors purchasing our Shares pursuant to the Invitation

The trading price of our Shares will be determined by the market and may fluctuate significantly after the Invitation as a result of, *inter alia*, the following factors, some of which are beyond our control:

- (i) variations in our operating results;
- (ii) changes in securities analysts' estimates of our financial performance;
- (iii) announcements by us of significant contracts, acquisitions, strategic alliances or joint ventures;
- (iv) additions or departures of key personnel;
- (v) fluctuations in stock market prices and volume;
- (vi) new laws and regulations applicable to the medical healthcare industry;
- (vii) involvement in litigation; and
- (viii) changes or uncertainty in general economic or stock market conditions.

Future sale or issuance of our Shares could adversely affect our Share price

Any future sale, availability or issuance of a large number of our Shares could exert a downward pressure on our Share price. These factors also affect our ability to sell additional equity securities in the future, at a time and price we deem appropriate. Except as otherwise described in the "Shareholders – Moratorium" section of this Offer Document, there are no restrictions imposed on the ability of our Shareholders to sell their Shares either on the Catalist or otherwise.

In addition, our Share price may be under downward pressure if certain of our Shareholders sell their Shares upon the expiry of their moratorium periods. Further, if we were to raise funds in the future by way of a rights issue, if any Shareholder is unwilling to participate in such fund raising, such Shareholder will suffer dilution in his shareholding.

Negative publicity which includes those relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect our Share price

Any negative publicity or announcement relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the market perception or the share performance of our Company, whether or not it is justified. Examples of these include unsuccessful attempts in joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

We may require additional funding for our future growth, and such funding may result in a dilution of your investment

We have attempted to estimate our funding requirements for the implementation of our growth plans as set out in the "General Information on our Group – Business Strategies and Future Plans" section of this Offer Document.

RISK FACTORS

In the event that the costs of implementing such plans should exceed these estimates significantly or if we come across opportunities to grow through expansion plans which cannot be predicted at this juncture, and if our funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. Such financing, even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for payment of dividends, or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters. If we are unable to procure the additional funding that may be required on acceptable terms or at all or if we are unable to service our potential new debt financing, our financial position and results, business operations, future growth and prospects will be adversely affected.

Further, if we raise additional funds by way of a placement or by a rights offering or through the issuance of new Shares, any Shareholders who are unable or unwilling to participate in such an additional round of fund raising may suffer dilution in their investment. In the event we issue new Shares, we will not be under any obligation to offer those Shares to existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or other equity issues, we may also be subject to certain regulations as to the procedures to be followed in making such rights available to Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may not offer such rights to existing Shareholders with addresses in jurisdictions outside of Singapore. Certain Shareholders may hence be unable to participate in future equity offerings by us and may experience dilution in their shareholdings.

Control by our existing Controlling Shareholders may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

After the Invitation, our Controlling Shareholders, namely Ladyhill Holdings Pte. Ltd., Dr Ang Peng Tiam and Mdm Chua Siok Lin, will be able to significantly influence all matters requiring approval by our Shareholders, including the appointment of directors and the approval of significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our Company or otherwise discourage a potential acquirer from attempting to obtain control of us through corporate actions such as merger or take-over attempts, which could conflict with the interests of other Shareholders.

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging companies to which a higher investment risk tends to be attached as compared to larger or more established companies. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST. Catalist was formed in December 2007 and the future success and liquidity in the market of our Shares cannot be guaranteed.

RISK FACTORS

Information contained in the forward-looking statements included in this Offer Document is subject to inherent uncertainties and investors should not rely on any of them

This Offer Document contains certain statements that constitute “forward-looking” statements, including *inter alia* those in relation to our financial condition, business strategies, prospects, future plans and objectives. These forward-looking statements involve risks, uncertainties and other facts which are known or currently unknown, which may cause our actual results, performance, profitability, achievements or industry results to differ materially from those expressed or implied by the forward-looking statements contained in this Offer Document. These forward-looking statements are based on several assumptions regarding our present and future business strategies and the business environment in which we will operate in the future. Investors should not place undue reliance on any such forward-looking statements. The inclusion of these forward-looking statements in this Offer Document shall not be regarded as a representation or warranty by the Company or any of its professional advisers that the plans and objectives of the Company can or will be achieved.

USE OF PROCEEDS AND LISTING EXPENSES

The estimated amount of expenses of the Invitation and of the application for listing, including but not limited to placement commission, brokerage, management, audit and legal fees, advertising and printing expenses, listing fees payable to the SGX-ST and the Authority and all other incidental expenses in relation to the Invitation is approximately S\$3,793,000. The net proceeds to be raised from the issue of the New Shares (after deducting the expenses of approximately S\$3,793,000) are estimated to be S\$17,236,000.

The following table sets out a breakdown of the use of the proceeds from the Invitation:

Use of proceeds	Amount (S\$'000)	As a percentage of gross proceeds allocated for each dollar (%)
Expanding repertoire of talent pool/ healthcare services	10,342	49
Overseas expansion/improving quality of medical services	6,894	33
Net proceeds	17,236	82
Listing Expenses		
Listing and processing fees	155	1
Professional Fees ⁽¹⁾	3,000	14
Placement commission ⁽²⁾	563	3
Other expenses ⁽³⁾	75	–
Gross proceeds	21,029	100

Notes:

- (1) This comprises mainly fees paid/payable to the legal counsels, auditors and reporting accountants, the Sponsor and the consultant. The consultant's scope of work in advising and assisting the Company to obtain a listing includes the review and development of strategic options to enhance value to all stakeholders, such as acquisitions and strategic alliances; engaging and liaising with relevant professionals, such as accounting, legal and tax advisors who are experts as needed in the circumstances; and the review and assistance in such other matters, transactions and affairs in relation to the Listing as may be instructed by the Company.
- (2) The amount of placement commission per New Share, agreed upon between the Placement Agent and our Company is 2.5% of the Issue Price payable for each New Share. Please refer to the section entitled "Sponsorship, Management and Placement Arrangements" of this Offer Document for more details.
- (3) This includes applicable goods and services tax payable for, *inter alia*, listing fees, professional fees and placement commission and brokerage, out-of-pocket expenses and other miscellaneous expenses.

Please refer to the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document for more information on our intended use of the net proceeds from the Invitation. In particular, apart from the proceeds from the issue of the New Shares, our future plans may be funded either through debt-financing, internally generated funds and/or external borrowings.

Pending the deployment of the net proceeds from the Invitation, the funds will be placed in short-term deposits with financial institutions and/or used to invest in short-term money market instruments as our Directors may, in their absolute discretion, deem appropriate.

USE OF PROCEEDS AND LISTING EXPENSES

The foregoing discussion represents our Company's best estimate of its allocation of the net proceeds from the Invitation based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that our Company decides to reallocate the net proceeds from the issue of the New Shares, our Company will publicly announce its intention to do so through an SGXNET announcement to be posted on the internet at the SGX-ST website, <http://www.sgx.com>.

As part of its terms of reference, our Audit Committee will monitor our use of net proceeds from the Invitation. As and when the funds from the Invitation are materially disbursed, our Company will make periodic announcements via SGXNET on the use of the net proceeds and will provide a status report on the use thereof in our annual report.

There is no minimum amount which, in the reasonable opinion of our Directors, must be raised by the Invitation.

Subscribers of the New Shares may be required to pay a brokerage of up to 1% of the Issue Price to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

Sponsorship and Management Agreement

Pursuant to the sponsorship and management agreement entered into between our Company and Hong Leong Finance on 17 January 2014 (the “**Sponsorship & Management Agreement**”), our Company appointed Hong Leong Finance as the introducing sponsor (the “**Sponsor**”) to manage the Invitation. The Sponsor will receive a fee from our Company for such services rendered in connection with the Invitation.

The Sponsor may terminate the Sponsorship and Management Agreement if:

- (a) at any time up to the close of the Application List, a notice of refusal to an admission of our Company to the Official List of Catalist is issued by the SGX-ST to the Sponsor; or
- (b) at any time after the registration of this Offer Document with the SGX-ST but before the close of the Application List, our Company fails and/or neglects to lodge a supplementary or replacement offer document (as the case may be) if we become aware of:
 - (i) a false or misleading statement in this Offer Document;
 - (ii) an omission from this Offer Document of any information that should have been included in it under the SFA; or
 - (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,that is materially adverse from the point of view of an investor; or
- (c) the Shares have not been admitted to Catalist on or before 31 March 2014 (or such other date as our Company and the Sponsor may agree).

If there shall have been, since the date of the Sponsorship and Management Agreement and prior to the close of the Application List:

- (i) any breach of the warranties or undertakings by our Company in the Sponsorship and Management Agreement which comes to the knowledge of the Sponsor;
- (ii) any occurrence of certain specified events which comes to the knowledge of the Sponsor;
- (iii) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of our Company or of our Group as a whole;
- (iv) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive in Singapore or elsewhere (whether or not having the force of law) and including, without limitation, any directive or request issued by the Authority, the Securities Industry Council of Singapore or the SGX-ST or relevant authorities elsewhere, in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere;

SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

- (v) any change, or any development involving a prospective change, in local, national or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition of any moratorium, suspension or restriction on trading in securities generally on the SGX-ST due to exceptional financial circumstances or otherwise, adverse changes in foreign exchange controls in Singapore and overseas or any combination of any such changes or developments or crisis, or any deterioration of any such conditions);
- (vi) any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities, insurrection, terrorist attacks or armed conflict (whether or not involving financial markets) in any jurisdiction;
- (vii) any regional or local outbreak of disease that may have an adverse effect on the financial markets; or
- (viii) any other occurrence of any nature whatsoever,

which has resulted or is in the reasonable opinion of the Sponsor likely to result in a material adverse fluctuation or material adverse conditions in the stock market in Singapore or overseas; or is likely to materially prejudice the success of the Placement; or it becoming impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated under the Sponsorship and Management Agreement or the Placement; or the business, trading position, operations or prospects of our Group being materially and adversely effected; results or is likely to result in the issue of a notice of refusal to an admission of our Company to the Official List of Catalist by the SGX-ST to the Sponsor at any point prior to the listing of our Shares; or makes it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for the Sponsor to observe or perform or be obliged to observe or perform the terms of the Sponsorship and Management Agreement, the Sponsor may at any time prior to the close of the Application List rescind or terminate the Sponsorship and Management Agreement.

Placement Agreement

Pursuant to the placement agreement dated 17 January 2014 (the “**Placement Agreement**”), our Company has appointed the Placement Agent to subscribe for and/or purchase, or procure subscribers for the New Shares at the Issue Price for a placement commission of 2.5% of the aggregate Issue Price for the total number of New Shares, payable by our Company for the New Shares which are offered by our Company. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the New Shares.

Subscribers of the New Shares may be required to pay a brokerage of up to 1% of the Issue Price (plus GST thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

The obligations under the Placement Agreement are conditional upon the Sponsorship and Management Agreement not being determined or rescinded pursuant to the provisions of the Sponsorship and Management Agreement. In the case of the non-fulfilment of any of the conditions in the Sponsorship and Management Agreement or the release or discharge of the Sponsor from its obligations under or pursuant to the Sponsorship and Management Agreement, the Placement Agreement shall be terminated and the parties shall be released from their respective obligations under the Placement Agreement.

SPONSORSHIP, MANAGEMENT AND PLACEMENT ARRANGEMENTS

In the event that the Sponsorship and Management Agreement and/or the Placement Agreement is terminated, our Directors reserve the right, at their absolute discretion, to cancel the Placement.

Save as disclosed above, we do not have any material relationship with the Sponsor and the Placement Agent.

DIVIDEND POLICY

Our Company was incorporated on 10 September 2013. Our Company has not distributed any dividends since its incorporation. Our wholly-owned subsidiary, SCC, declared gross dividends amounting to S\$30 million for each of FY2010, FY2011, FY2012, S\$15 million for 1H2012 and S\$15 million for 1H2013 respectively.

The form, frequency and amount of dividends declared by SCC in the past three financial years ended 31 December 2012 and in the period from 1 January 2013 up to the Latest Practicable Date was determined at the sole discretion of the board of directors of SCC subject to shareholders' approval, taking into consideration the earnings and financial position, the results of operations and the capital needs of SCC as the directors of SCC may deem appropriate.

None of the members of our Group currently has a fixed dividend policy. As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends we receive from our subsidiary. The form, frequency and amount of future dividends by our subsidiary will depend on its earnings, its financial position, its results of operations, its capital needs, our plans for expansion and any other relevant factors. The actual dividends that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:

- the level of our cash and retained earnings;
- our actual and projected financial performance;
- our projected levels of capital expenditure and other investment plans; and
- restrictions on payment of dividends imposed on us by our financing arrangements (if any).

All dividends are paid *pro-rata* among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

No inference should or can be made from any of the foregoing statements as to our actual profitability or our ability to pay any dividends in the future.

We may declare annual dividends with the approval of our Shareholders in a general meeting, but the amount of such dividends shall not exceed the amount recommended by our Directors. Our Directors may also declare interim dividends without seeking Shareholders' approval. Our Company must pay all dividends out of our profits. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

Information relating to taxes payable on dividends is set out under "Taxation" in Appendix E of this Offer Document.

DIVIDEND POLICY

Proposed Annual Dividends

Our Directors intend, subject to the factors stated above and in the absence of any circumstances which might reduce the amount of revenue reserves available to pay dividends, whether by losses, capital reductions or otherwise, to recommend an annual dividend up to 75 per cent. of our net profit attributable to shareholders as dividends to our Shareholders.

Investors should note that the intention to recommend the aforesaid dividend should not be treated as a legal obligation on our Company nor should it be treated as an indication of our Company's future dividend policy.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in any of the periods discussed.

SHARE CAPITAL

Our Company was incorporated in Singapore on 10 September 2013 under the Companies Act as a private company limited by shares under the name “TalkMed Group Pte. Ltd.”. On 27 December 2013, our Company changed its name to “TalkMed Group Limited” in connection with its conversion to a public company limited by shares.

At the date of incorporation, the issued and paid-up share capital of our Company was S\$1,000 comprising 1,000 ordinary shares. Thereafter, pursuant to the Restructuring Exercise, our issued and paid-up share capital was increased to S\$2,313,356 comprising 100,001,000 Shares.

We only have one class of shares in the capital of our Company, being ordinary shares. The rights and privileges of our Shares are stated in our Articles. There are no founder, management or deferred shares reserved for issuance for any purpose.

Pursuant to the resolutions passed by our Shareholders at an EGM held on 26 December 2013, our Shareholders approved, *inter alia*, the following:

- (a) the conversion of our Company into a public limited company and the consequential change of our name to “TalkMed Group Limited”;
- (b) the listing and quotation of all the issued Shares (including the New Shares to be allotted and issued as part of the Invitation) on Catalist to be approved;
- (c) the adoption of a new set of Articles;
- (d) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued and fully paid-up Shares; and
- (e) the authorisation for our Directors, pursuant to Section 161 of the Companies Act and the Listing Manual to (i) issue Shares whether by way of rights, bonus or otherwise; (ii) 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 our Directors may in their absolute discretion deem fit; and (iii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by our Directors while this resolution was in force, provided that:
 - (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued pursuant to this resolution shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a *pro rata* basis to existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with subparagraph (2) below);

SHARE CAPITAL

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of our Company (excluding treasury shares) immediately after the Invitation, after adjusting for (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; and (b) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising such authority, our Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles for the time being of our Company; and
- (4) unless revoked or varied by our Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of our Company; or (ii) the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

As at the Latest Practicable Date, our Company has only one class of shares, being ordinary shares. The rights and privileges of our Shares are stated in the Articles of our Company, a summary of which is set out in the section entitled “Appendix D – Summary of Selected Articles of Association of our Company”. There are no founder, management or deferred shares.

As at the Latest Practicable Date, the Shares held by our Controlling Shareholders and the New Shares to be allotted and issued were not subject to any pledge, mortgage or any other form of encumbrance. There are no Shares that are held by or on behalf of our Company or by our subsidiary.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$2,313,356 divided into 552,000,000 Shares. Upon the issue and allotment of the New Shares, the resultant issued and paid-up share capital of our Company will be increased to approximately S\$22,262,622 comprising 657,143,000 Shares.

More than 10% of our share capital has been paid for with assets other than cash within the period of three years before the date of this Offer Document. Details of the changes to the issued and paid-up share capital of our Company since the date of incorporation, and our issued and paid-up share capital immediately after the Invitation are as follows:

Date		Number of Shares issued	Issue price per Share (S\$) (approximately)	Issued and Paid-up Share Capital (S\$)
10 September 2013	Subscriber shares at incorporation	1,000	1.00	1,000
3 October 2013	Issue of 100,000,000 new Shares pursuant to acquisition of SCC	100,000,000	0.0231	2,312,356
–	Issued and paid-up share capital immediately after the Restructuring Exercise	100,001,000	0.0231	2,313,356

SHARE CAPITAL

Date		Number of Shares issued	Issue price per Share (S\$) (approximately)	Issued and Paid-up Share Capital (S\$)
13 November 2013	Share Split of every one Share into 5.52 Shares	552,000,000	0.0042	2,313,356
	Pre-Invitation Share Capital	552,000,000	0.0042	2,313,356
	Issue of New Shares pursuant to the Invitation	105,143,000	0.20	19,949,266 ⁽¹⁾
	Post-Invitation Share Capital	657,143,000	0.034	22,262,622

Note:

(1) This takes into account the estimated listing expenses of approximately S\$1,079,334 offset against gross proceeds.

The shareholders' equity of our Company as at the date of incorporation, after adjustments to reflect the Restructuring Exercise and the issue of the New Shares, is set out below. This should be read in conjunction with the sections entitled "Independent Auditor's Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012" in Appendix A of this Offer Document and the "Independent Auditor's Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013" in Appendix B of this Offer Document.

	As at the date of incorporation (S\$)	After the Restructuring Exercise and the Share Split (S\$)	Immediately after the Invitation (S\$)
Shareholders' Equity			
Issued and paid-up share capital	1,000	2,313,356	22,262,622
Accumulated losses	—	—	(2,713,297) ⁽¹⁾

Note:

(1) Relates to estimated listing expenses that are not offset against issued and paid-up share capital.

SHAREHOLDERS

SHAREHOLDERS

The Directors and Shareholders of our Company and their respective shareholdings in the Company immediately before and after the Invitation are set out below:

	Before the Invitation				After the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Mr Chandra Das								
s/o Rajagopal Sitaram	–	–	–	–	–	–	–	–
Dr Ang Peng Tiam ⁽¹⁾⁽²⁾	–	–	429,456,000	77.80	–	–	429,456,000	65.35
Dr Khoo Kei Siong	49,680,000	9.00	–	–	49,680,000	7.56	–	–
Mr Sitoh Yih Pin	–	–	–	–	–	–	–	–
Mr Dan Yock Hian	–	–	–	–	–	–	–	–
Mr Lim Jen Howe	–	–	–	–	–	–	–	–
Mr Lim Teong Jin George	–	–	–	–	–	–	–	–
Executive Officers								
Mr Quek Hiong How	–	–	–	–	–	–	–	–
Substantial Shareholders								
Ladyhill Holdings Pte. Ltd. ⁽²⁾	429,456,000	77.80	–	–	429,456,000	65.35	–	–
Mdm Chua Siok Lin ⁽¹⁾⁽²⁾	–	–	429,456,000	77.80	–	–	429,456,000	65.35
Dr Teo Cheng Peng	49,128,000	8.90	–	–	49,128,000	7.48	–	–
Others								
Dr Lim Hong Liang	23,736,000	4.30	–	–	23,736,000	3.61	–	–
Public	–	–	–	–	105,143,000	16.00	–	–
Total	552,000,000	100.0			657,143,000	100.0		

Notes:

- (1) Dr Ang Peng Tiam and Mdm Chua Siok Lin are spouses.
- (2) Ladyhill Holdings Pte. Ltd. is an investment holding company incorporated in Singapore on 15 November 2012. As at the date of this Offer Document, the shareholders of Ladyhill Holdings Pte. Ltd. are Dr Ang Peng Tiam (60%), Mdm Chua Siok Lin (20%), Ms Ang Li-en, Yvonne (5%), Mr Ang Jia-Qiang, David (5%), Mr Ang Jia Ming, Daniel (5%) and Ms Ang Li Yi, Yvette (5%). Ms Ang Li-en, Yvonne, Mr Ang Jia-Qiang, David, Mr Ang Jia Ming, Daniel and Ms Ang Li Yi, Yvette are the children of Dr Ang and Mdm Chua. Dr Ang Peng Tiam and Mdm Chua Siok Lin have a deemed interest in the Shares held by Ladyhill Holdings Pte. Ltd. in our Company pursuant to Section 7 of the Companies Act.

Save as disclosed above, there are no relationships among our Substantial Shareholders, Directors and Executive Officers.

The Shares held by our Directors and Substantial Shareholders do not have different voting rights from the other Shareholders of our Company.

There are no Shares that are held by or on behalf of our Company or by our subsidiary.

As at the Latest Practicable Date, to the best of our Directors' knowledge, no options over our Shares have been granted to any person.

SHAREHOLDERS

CONTROL OF OUR COMPANY

Our Company is currently controlled (as such term is defined in the Listing Manual) by Ladyhill Holdings Pte. Ltd. who holds directly approximately 77.80% of the total number of our issued Shares immediately prior to the Invitation and 65.35% of the total number of our issued Shares immediately after the completion of the Invitation. Dr Ang Peng Tiam, who has a shareholding interest of 60.0% in Ladyhill Holdings Pte. Ltd. is deemed interested in the 429,456,000 Shares held by Ladyhill Holdings Pte. Ltd., representing approximately 77.80% of the total number of our issued Shares immediately prior to the Invitation and 65.35% of the total number of our issued Shares immediately after the completion of the Invitation. Mdm Chua Siok Lin, who is the spouse of Dr Ang Peng Tiam, has a shareholding interest of 20.0% in Ladyhill Holdings Pte. Ltd., and is thus deemed to be interested in the 429,456,000 Shares held by Ladyhill Holdings Pte. Ltd., representing approximately 77.80% of the total number of our issued Shares immediately prior to the Invitation and 65.35% of the total number of our issued Shares immediately after the completion of the Invitation.

Save as disclosed above, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person. Our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation which has occurred since the incorporation of our Company to the Latest Practicable Date.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and in the “Share Capital”, “Dilution” and “Restructuring Exercise” sections of this Offer Document, there have been no significant changes in the percentage ownership of our Company held by our Directors and Substantial Shareholders from its incorporation until the Latest Practicable Date.

MORATORIUM

To demonstrate their commitment to our Group, our Company’s Controlling Shareholder, Ladyhill Holdings Pte. Ltd. as well as the three Specialist Doctors, Dr Khoo Kei Siong, Dr Teo Cheng Peng and Dr Lim Hong Liang have given an undertaking in terms of their existing shareholding in our Company not to sell, realise, transfer or otherwise dispose of:

- (a) any part of their existing shareholding (“**Original Shareholding**”) in our Company for a period of 12 months from the date of admission of our Company to the Catalist List of the SGX-ST;
- (b) 80% of their Original Shareholding in our Company for a period of 24 months from the date of admission of our Company to the Catalist List of the SGX-ST;
- (c) 60% of their Original Shareholding in our Company for a period of 36 months from the date of admission of our Company to the Catalist List of the SGX-ST;
- (d) 40% of their Original Shareholding in our Company for a period of 48 months from the date of admission of our Company to the Catalist List of the SGX-ST; and
- (e) 20% of their Original Shareholding in our Company for a period of 60 months from the date of admission of our Company to the Catalist List of the SGX-ST.

SHAREHOLDERS

Dr Ang Peng Tiam and his spouse, Mdm Chua Siok Lin, who each have a shareholding interest of 60.0% and 20.0% in Ladyhill Holdings Pte. Ltd. respectively, have undertaken not to sell, realise, transfer or otherwise dispose of:

- (a) any part of their existing shareholding (“**Original Ladyhill Shareholding**”) in Ladyhill Holdings Pte. Ltd. for a period of 12 months from the date of admission of our Company to the Catalist List of the SGX-ST;
- (b) 80% of their Original Ladyhill Shareholding for a period of 24 months from the date of admission of our Company to the Catalist List of the SGX-ST;
- (c) 60% of their Original Ladyhill Shareholding for a period of 36 months from the date of admission of our Company to the Catalist List of the SGX-ST;
- (d) 40% of their Original Ladyhill Shareholding for a period of 48 months from the date of admission of our Company to the Catalist List of the SGX-ST; and
- (e) 20% of their Original Ladyhill Shareholding for a period of 60 months from the date of admission of our Company to the Catalist List of the SGX-ST.

INVITATION STATISTICS

Issue Price (cents)	20
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NTA (cents)

NTA per Share based on the unaudited interim combined balance sheet of our Group as at 30 June 2013:

- | | |
|---|------|
| (i) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 552,000,000 Shares | 2.32 |
| (ii) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 657,143,000 Shares | 4.57 |

Premium of the Issue Price over the NTA per Share:

- | | |
|---|------|
| (i) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 552,000,000 Shares | 762% |
| (ii) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 657,143,000 Shares | 338% |

Dividends (cents)

Historical DPS based on the dividends in the audited combined financial statements of our Group for FY2012 and the pre-Invitation share capital of 552,000,000 Shares	5.43
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Historical DPS based on the net PAT in the audited combined statement of comprehensive income of our Group for FY2012 and the pre-Invitation share capital of 552,000,000 Shares, assuming dividend declared and paid of 75% of net PAT attributable to shareholders and the Service Agreements have been in place from the beginning of FY2012	4.34
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Dividend Yield

Historical dividend yield based on the dividends in the audited combined financial statements of our Group for FY2012 and the pre-Invitation share capital of 552,000,000 Shares	27.15%
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Historical dividend yield based on the net PAT in the audited combined statement of comprehensive income of our Group for FY2012 and the pre-Invitation share capital of 552,000,000 Shares, assuming dividend declared and paid of 75% of net PAT attributable to shareholders and the Service Agreements have been in place from the beginning of FY2012 as a percentage of the Issue Price	21.70%
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INVITATION STATISTICS

EPS (cents)⁽²⁾

Historical EPS based on PAT in the audited combined statement of comprehensive income of our Group for FY2012 and the pre-Invitation share capital of 552,000,000 Shares	5.79
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Price Earnings Ratio⁽²⁾

Historical PER based on the historical EPS of our Group for FY2012 and the pre-Invitation share capital of 552,000,000 Shares	3.45
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Net Operating Cash Flow⁽¹⁾ per Share (cents)⁽²⁾

Historical net operating cash flow per Share based on the audited combined financial statements of our Group for FY2012 and the pre-Invitation share capital of 552,000,000 Shares	5.79
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Ratio of Price To Net Operating Cash Flow⁽²⁾

Ratio of Issue Price to historical net operating cash flow per Share for FY2012 based on the pre-Invitation share capital of 552,000,000 Shares	3.45
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Market Capitalisation

Market capitalisation based on the Issue Price and our post-Invitation share capital of 657,143,000 Shares	S\$131,428,600
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Notes:

- (1) Net operating cash flow is defined as net profit attributable to equity holders of our Company with depreciation and amortisation charges added back.
- (2) The historical EPS, PER, Net Operating Cash Flow per Share and Ratio of Price to Net Operating Cash Flow for FY2012 would remain the same, had the Service Agreements been in place from the beginning of FY2012. As disclosed in note (2) of the sub-section entitled "Financial Highlights" of the section entitled "Offer Document Summary" of this Offer Document, PAT for FY2012 would remain the same had the Service Agreements been in place since 1 January 2012.

DILUTION

Dilution is the amount by which the Issue Price to be paid by the new investors for the New Shares (“**New Investors**”) exceeds our NTA per Share immediately after the Invitation.

Our NTA per Share as at 30 June 2013 before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation share capital of 552,000,000 Shares, was 2.32 cents.

Based on the issue of 105,143,000 New Shares at the Issue Price pursuant to the Invitation, our NTA per Share after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation share capital of 657,143,000 Shares, would be 4.57 cents. This represents an immediate increase in NTA per Share of 2.25 cents to our existing Shareholders and an immediate dilution in NTA per Share of approximately 15.43 cents to our New Investors.

The following illustrates such dilution on a per Share basis as at 30 June 2013:

	Cents
Issue Price per Share	20
NTA per Share as at 30 June 2013 based on the pre-Invitation share capital of 552,000,000 Shares	2.32
Increase in NTA per Share attributable to existing Shareholders	2.25
NTA per Share after the Invitation	4.57
Dilution in NTA per Share to New investors	15.43

The following table summarises the total number of Shares acquired by our Directors and Substantial Shareholders and their associates during the period of three years prior to the date of lodgement of this Offer Document, the total consideration paid by them for such acquisition and the effective cash cost per Share to them, and by our new investors pursuant to the Invitation.

	Number of Shares acquired	Total consideration (Approximate) (S\$'000)	Average price per Share (Approximate) (S\$)
Directors			
Dr Ang Peng Tiam ⁽¹⁾	77,800,778	1,799.79	0.023
Dr Khoo Kei Siong ⁽²⁾	9,000,090	208.20	0.023
Substantial Shareholders			
Dr Teo Cheng Peng ⁽³⁾	8,900,089	205.89	0.023
Ladyhill Holdings Pte. Ltd. ⁽¹⁾	77,800,778	1,799.79	0.023
New Investors	105,143,000	21,028.60	0.20

DILUTION

Notes:

- (1) The consideration payable by Dr Ang Peng Tiam to the Company in respect of the 77,800,000 Shares was satisfied by way of the transfer of the 778 shares in the capital of SCC from Dr Ang Peng Tiam to the Company. After the Share Split, the 429,456,000 Shares were then transferred by Dr Ang to Ladyhill Holdings Pte. Ltd., for an aggregate consideration of approximately S\$1,799,790 on 13 November 2013. Ladyhill Holdings Pte. Ltd. is an investment holding company incorporated in Singapore on 15 November 2012. As at the date of this Offer Document, the shareholders of Ladyhill Holdings Pte. Ltd. are Dr Ang Peng Tiam (60%), Mdm Chua Siok Lin (20%), Ms Ang Li-en, Yvonne (5%), Mr Ang Jia-Qiang, David (5%), Mr Ang Jia Ming, Daniel (5%) and Ms Ang Li Yi, Yvette (5%). Ms Ang Li-en, Yvonne, Mr Ang Jia-Qiang, David, Mr Ang Jia Ming, Daniel and Ms Ang Li Yi, Yvette are the children of Dr Ang and Mdm Chua.
- (2) The consideration payable by Dr Khoo Kei Siong to the Company in respect of the 9,000,000 Shares was satisfied by way of the transfer of the 90 shares in the capital of SCC from Dr Khoo Kei Siong to the Company.
- (3) The consideration payable by Dr Teo Cheng Peng to the Company in respect of the 8,900,000 Shares was satisfied by way of the transfer of the 89 shares in the capital of SCC from Dr Teo Cheng Peng to the Company.

Save as disclosed above, no Director, Substantial Shareholder or their Associate has acquired any Shares during the period of three years prior to the date of this Offer Document.

RESTRUCTURING EXERCISE

Prior to the lodgement of this Offer Document, our Group undertook the Restructuring Exercise in preparation for our listing on the Catalist, resulting in our Company becoming the investment holding company of our Group. The following steps were taken in the Restructuring Exercise:

(a) Incorporation of our Company

Our Company was incorporated on 10 September 2013 as a private company limited by shares. At incorporation, the share capital of our Company comprised 1,000 Shares, which were held by Dr Ang Peng Tiam (“**Dr Ang**”, 77.8%), Dr Teo Cheng Peng (“**Dr Teo**”, 8.9%), Dr Khoo Kei Siong (“**Dr Khoo**”, 9.0%) and Dr Lim Hong Liang (“**Dr Lim**”, 4.3%) respectively. Our Company was incorporated for the purpose of becoming the holding company of our Group.

(b) Acquisition of SCC

In accordance with the terms of a sale and purchase agreement (“**Sale and Purchase Agreement**”) dated 13 September 2013 entered into between the Company (as buyer) and the Specialist Doctors (as vendors), the entire issued share capital of SCC was transferred from the Specialist Doctors to the Company for a consideration of S\$2,312,356 based on the unaudited NTA of SCC as at 31 August 2013. This consideration was satisfied by the allotment and issue of an aggregate of 100,000,000 Shares at an issue price of S\$0.0231 per Share (credited as fully-paid up) to the Specialist Doctors as follows:

Specialist Doctors	Allotment of Shares
Dr Ang	77,800,000
Dr Teo	8,900,000
Dr Khoo	9,000,000
Dr Lim	4,300,000

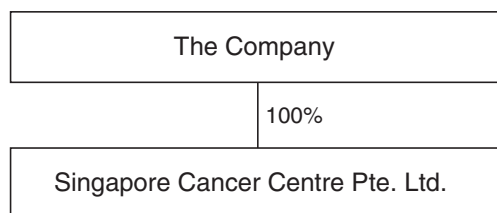
(c) Entry into Consultancy Restatement Agreement

As part of the Restructuring Exercise, the terms of the Original Consultancy Agreement and Consultancy Supplemental Agreement were restated by the Consultancy Restatement Agreement dated 18 September 2013. Please refer to the “General Information on our Group – Business and Principal Activities” section of this Offer Document for further information on the Consultancy Restatement Agreement.

Following the completion of the Restructuring Exercise, the structure of our Group is as set out under the “Group Structure” section of this Offer Document.

GROUP STRUCTURE

Our Group structure after the Restructuring Exercise and as at the date of this Offer Document is as follows:



The details of each subsidiary of our Company as at the date of this Offer Document are as follows:

Subsidiary	Date/Country of Incorporation	Principal Place of Business	Principal Activities	Effective Equity Held by our Group	Issued and paid up Capital
Singapore Cancer Centre Pte. Ltd. ⁽¹⁾	6 December 2004, Singapore	3 Mount Elizabeth, #13-16/17, Mount Elizabeth Hospital, Singapore 228510	Provision of Medical Oncology Services	100%	S\$1,000

Note:

- (1) SCC is the sole proprietor of a sole-proprietorship under the name of “Singapore Cancer and Oncology Centre”, which is a dormant entity serving a sole purpose of owning its current name.

Our subsidiary is not listed on any stock exchange.

SUMMARY OF FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with the “Management’s Discussion and Analysis of Results of Operations and Financial Position” section of this Offer Document and the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012” in Appendix A of this Offer Document and the “Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013” in Appendix B of this Offer Document. Our financial statements are prepared and presented in accordance with Singapore Financial Reporting Standards.

Selected items from the “Statements of Comprehensive Income of our Group”

(S\$'000)	FY2010	Audited FY2011	FY2012	Unaudited 1H2012	1H2013
Revenue	48,342	49,135	51,857	25,238	27,039
Other operating income	49	9	10	—	4
Profit before tax	39,026	39,243	38,494	18,881	18,926
Income tax expense	(6,598)	(6,645)	(6,516)	(3,198)	(3,203)
Profit for the year, representing total comprehensive income for the year attributable to owners of the Company	32,428	32,598	31,978	15,683	15,723

Selected items from the “Statement of Financial Position of our Group”

(S\$'000)	Unaudited As at 30 June 2013	Audited As at 31 December 2012
Current assets	25,564	22,788
Equity	12,819	12,096
NAV per Share (cents)	2.32	2.19

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

BASIS OF PRESENTATION AND PREPARATION

The following discussion of the results of operations and financial position of our Group should be read in conjunction with the "Independent Auditor's Report and the Audited Combined Financial Statements for the Years ended 31 December 2010, 2011 and 2012" and the "Independent Auditor's Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013" as set out in Appendix A and Appendix B of this Offer Document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document particularly in the section on "Risk Factors". Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Sponsor or the Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of the Offer Document.

OVERVIEW

We are one of the leading providers of medical oncology services in the private sector under the PCC brand name with a network of seven clinics in Singapore. We mainly engage in the provision of personalised medical oncology services and palliative care services.

Revenue

Our revenue is derived from the following:

- (i) a consultancy fee: an amount payable by PCC to SCC for the provision of medical oncology services and other services to PCC and representing a certain percentage of the total gross revenue of PCC for that FY;
- (ii) a management fee: being the aggregate of (a) billings for salaries, wages and employee benefits incurred by SCC, and (b) the total lease management fee payable by PCC to SCC for the lease management services provided by SCC to PCC with respect to the Properties for that FY; and
- (iii) profit sharing: a percentage of the profit before tax of PCC based on a tiered profit-sharing model set out in the Consultancy Restatement Agreement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The components of the profit before tax of PCC are disclosed in the table below:

Revenue⁽¹⁾	Patient's revenue less commission paid on NETS and credit cards
Less: Expenses	
Staff costs⁽²⁾	SCC and PHS staff that are seconded to PCC
Cost of sales	Drugs cost, medical and surgical supplies, contract services and consumables
Fixed controllable expenses	Bank charges, maintenance and repairs, printing and stationery, travelling and professional fees etc.
Non-controllable expenses	Operating leases for clinic premises and equipment, office insurance, bad debts written off and depreciation cost, etc.
Profit before tax	

Notes:

- (1) PCC derives all its revenue from the invoices billed to the patients or third parties in connection with consultation fees, in-patient fees, sponsorship received, drugs prescribed, medicine prescribed, diagnostics as well as clinical trial fees. For the avoidance of doubt, revenue derived from haematology and stem cell services, provided through the PCC vehicle, have been included in PCC's revenue computation.
- (2) For the avoidance of doubt, PCC's profit before tax has factored in the salary cost paid to SCC's staff who are seconded to PCC.

Our consultancy fees are mainly dependent on the following factors:

- (a) nature, complexity, duration and the cost of treatment (including chemotherapy treatment) as well as the level of medical expertise required;
- (b) patients' demand, which is dependent on the individual's preferences and socio-economic circumstances;
- (c) ability to recruit and retain experienced and qualified healthcare professionals who have the expertise to provide quality and effective healthcare services to meet the demands of our patients; and
- (d) changes in government policies or regulations.

Please refer to the "General Information on our Group – Competition", "General Information on our Group – Competitive Strengths" and "Risk Factors" sections of this Offer Document for more details as to the factors and risks which have or may have an impact on our business operations and financial performance.

Other items of income

Other items of income comprised mainly government grant income from Jobs Credit Scheme and interest received from short term deposits.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Items of expense

Items of expense comprised employee benefits, operating lease expenses and other operating expenses.

Employee benefits

Employee benefits comprised remuneration paid to our doctors, nurses, clinic assistants, pharmacy technicians and administrative support staff. These include salaries, wages, allowances, overtime payments, bonuses and CPF contributions.

Employee benefits are affected by the availability of labour in the market, qualifications and experience of the professionals and employees hired, staff head count and changes in government policies and regulations such as CPF contributions.

Operating lease expenses

Operating lease expenses comprised the operating leases for space at the hospitals or medical centres where our clinics are located.

Other operating expenses

Other operating expenses of our Group comprised mainly:

- (a) insurance costs incurred on staff group hospitalisation and surgical insurance;
- (b) travelling and training expenses for employees;
- (c) utility bills which include electricity, telephone and water; and
- (d) regulatory compliance costs which include audit fees, corporate secretarial fees, legal fees, accounting fees, tax fees and professional fees.

Income tax expense

Overall effective tax rate was approximately 16.9% for FY2010, FY2011 and FY2012. The Singapore statutory corporate tax rate for FY2010, FY2011 and FY2012 was 17.0%.

REVIEW OF PAST PERFORMANCE

Breakdown of the volume of patient visits and medical treatment sessions in PCC for FY2010, FY2011, FY2012, 1H2012 and 1H2013 is set out below:

	FY2010	FY2011	FY2012	1H2012	1H2013
Total number of patient visits	38,030	38,445	38,745	19,732	18,648
Dollar value per patient visit (S\$)	2,491	2,519	2,791	2,658	3,009
PCC revenue (S\$'000)	94,719	96,840	108,131	52,450	56,104
SCC revenue (S\$'000)	48,342	49,135	51,857	25,238	27,039

The dollar value per patient visit is derived from the total revenue collected divided by the number of patient visits.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2011 vs FY2010

Revenue

Revenue increased by S\$0.80 million or 1.7% from S\$48.34 million in FY2010 to S\$49.14 million in FY2011. This increase was attributed to an increase in patient traffic coming mainly from the South Asian region. The total number of patient visits in FY2011 was 415 or 1.1% more compared to FY2010 and the dollar value per treatment paid by patients in FY2011 was S\$28 or 1.1% higher compared to FY2010.

Other items of income

Interest income

There was a decrease in interest income by S\$14,000 or 60.9% from S\$23,000 in FY2010 to S\$9,000 in FY2011 due to lower amounts placed on short term deposits.

Grant income from Jobs Credit Scheme

Under the Jobs Credit Scheme, we received a 12% cash grant (stepped down to 6% and 3% in March and June 2010 respectively) on the first S\$2,500 of each month's wages for each employee on the Central Provident Fund Payroll. In FY2010, we received a grant income of S\$26,000 under this Scheme. None was received in FY2011.

Items of expense

Employee benefits

Employee benefits increased by S\$0.54 million or 6.0% from S\$9.00 million in FY2010 to S\$9.54 million in FY2011. This was broadly in line with our increase in revenue in FY2011 compared to FY2010. Employee benefits as a percentage of revenue were 18.6% and 19.4% for FY2010 and FY2011 respectively. The increase of 0.8% was mainly due to the increase in employer CPF contribution rate, salary increases as well as the cost associated with the additional staff hired in FY2011.

Operating lease expenses

Operating lease expenses increased by S\$0.04 million or 20.0%, from S\$0.20 million in FY2010 to S\$0.24 million in FY2011. The increase was due to a new operating lease that was taken up in August 2011 in relation to a new clinic in Mount Elizabeth Hospital.

Other operating expenses

The decrease in other operating expenses of S\$0.04 million or 25.0% from S\$0.16 million in FY2010 to S\$0.12 million in FY2011 was mainly due to a decrease in advertising, travelling and accommodation expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Profit before tax

Profit before tax increased by S\$0.21 million or 0.5% from S\$39.03 million in FY2010 to S\$39.24 million in FY2011 mainly due to revenue growth in FY2011.

Income tax expense

Income tax expense for FY2011 was S\$6.65 million, an increase of S\$0.05 million or 0.8% from S\$6.60 million in FY2010 as a result of an increase in profit before tax.

FY2012 vs FY2011

Revenue

Revenue grew by S\$2.72 million or 5.5% from S\$49.14 million in FY2011 to S\$51.86 million in FY2012. This was due to the establishment of an additional clinic in Mount Elizabeth Novena Specialist Centre in August 2012 together with an overall increase in patient visits and patients opting for higher value treatment in FY2012. The total number of patient visits in FY2012 was 300 or 0.8% more than in FY2011 and the dollar value per treatment paid by patients was S\$272 or 10.8% higher in FY2012 compared to FY2011.

Other items of income

In FY2012 other items of income comprised grant income from Special Employment Credit Scheme and cash grant received from the Singapore government.

An 8% cash grant of the monthly wages of eligible employees (i.e. Singaporean employees aged above 50 earning up to S\$3,000 per month) amounting to S\$5,000 was received under the Special Employment Credit Scheme. In addition, under the SME cash grant, the Group was entitled to receive a one-off cash grant pegged at 5% of the total revenue subject to a cap of S\$5,000. This one time grant of S\$5,000 was received in FY2012.

Items of expense

Employee benefits

Employee benefits increased by S\$0.25 million or 2.6% from S\$9.54 million in FY2011 to S\$9.79 million in FY2012. The increase was mainly due to the increase in salaries and employee related expenses. Employee benefits as a percentage of revenue were 19.4% and 18.9% for FY2011 and FY2012 respectively.

Operating lease expenses

Operating lease expenses increased by S\$0.05 million, or 20.8%, from S\$0.24 million in FY2011 to S\$0.29 million in FY2012 as a result of the full year rental payment for the new clinic space taken up in the second half of FY2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other operating expenses

Other operating expenses increased by S\$3.18 million or 2,650.0% from S\$0.12 million in FY2011 to S\$3.30 million in FY2012. The increase was mainly due to S\$3.00 million incurred for the management and consultancy services provided to the Group. Other factors included the legal and professional fees incurred in preparation for the listing of the shares of the Company and an increase in telecommunication and insurance expenses, in line with increased operating activities.

Profit before tax

Profit before tax decreased by S\$0.75 million or 1.9% from S\$39.24 million in FY2011 to S\$38.49 million in FY2012. The decrease was due to the increase in operating expense in FY2012. As a percentage of revenue, profit before tax decreased by 5.7% from 79.9% in FY2011 to 74.2% in FY2012.

Income tax expense

The effective tax rate remained at 16.9% between FY2011 and FY2012 despite a drop in the profit before tax. Accordingly, income tax expense decreased by S\$0.13 million or 2.0%, from S\$6.65 million in FY2011 to S\$6.52 million in FY2012.

1H2013 vs 1H2012

Revenue

Revenue increased by S\$1.80 million or 7.1% from S\$25.24 million in 1H2012 to S\$27.04 million in 1H2013. This increase was attributed to the increase in revenue from higher value treatment dispensed offset by decline in the total number of patient visits. The total number of patient visits in 1H2013 was 1,084 or 5.5% lower than in 1H2012 but the dollar value per treatment paid by patients was S\$351 or 13.2% higher in 1H2013.

Other items of income

An 8% cash grant of the monthly wages of eligible employees (i.e. Singaporean employees aged above 50 earning up to S\$3,000 per month) amounting to S\$4,000 was received in 1H2013 under the Special Employment Credit Scheme for each Singapore employee earning up to S\$3,000 per month.

Items of expense

Employee benefits

Employee benefits increased by S\$0.62 million or 13.3% from S\$4.65 million in 1H2012 to S\$5.27 million in 1H2013. The increase was due to the additional staff recruited (of which 3 are doctors) to support the growth and expansion activities of the Group as well as the effect of staff that was recruited in 1H2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Operating lease expenses

Operating lease expenses decreased by S\$0.02 million to S\$0.14 million in 1H2013 as compared to S\$0.16 million in 1H2012.

Other operating expenses

The increase in other operating expenses of S\$1.15 million or 74.2% from S\$1.55 million in 1H2012 to S\$2.70 million in 1H2013 was mainly due to S\$2.65 million in legal and professional fees incurred in preparation for the listing of the Company.

Profit before tax

Profit before tax increased by S\$0.05 million or 0.3% from S\$18.88 million in 1H2012 to S\$18.93 million in 1H2013 as a result of revenue growth in 1H2013.

Income tax

Income tax expense for both 1H2013 and 1H2012 was S\$3.20 million.

REVIEW OF FINANCIAL POSITION

As at 30 June 2013

Assets

Non-current assets

Plant and equipment comprised computers and software and was carried at net book value of S\$2,000.

Current assets

As at 30 June 2013, total current assets of S\$25.56 million accounted for 100% of our total assets. Current assets comprised trade and other receivables, as well as cash and cash equivalents.

Trade and other receivables accounted for S\$8.21 million or 32.1% of the total current assets as at 30 June 2013. Trade and other receivables comprised mainly trade receivables from PCC.

The largest component of total current assets was cash and cash equivalents amounting to S\$17.36 million or 67.9% of the total current assets as at 30 June 2013.

Liabilities

Long term liability

As at 30 June 2013, we did not have any long term liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Current liabilities

Current liabilities comprised substantially of other payables, accrued operating expenses and income tax payable. As at 30 June 2013, current liabilities amounted to S\$12.75 million or 100% of total liabilities.

The main component of current liabilities is the income tax payable of S\$6.21 million which constituted 48.7% of the total current liabilities as at 30 June 2013.

Other payables of S\$0.58 million constituted 4.6% of total current liabilities. Other payables comprised mainly GST payable of S\$0.53 million and S\$56,000 due to a director which is non-trade related, unsecured, non-interest bearing and repayable on demand and will be settled in cash.

Accrued operating expenses of S\$5.96 million constituted 46.7% of the total current liabilities. Accrued operating expenses constitute accruals for CPF, professional fees payable and the provision for audit and tax fees payable.

Shareholders' equity

As at 30 June 2013, shareholders' equity comprised S\$12.82 million in retained earnings and S\$1,000 in share capital.

As at 31 December 2012

Assets

Non-current assets

Plant and equipment have been fully depreciated with no net book value.

Current assets

As at 31 December 2012, total current assets of S\$22.79 million accounted for 100% of our total assets. Current assets comprised trade and other receivables, as well as cash and cash equivalents.

Trade and other receivables accounted for S\$6.04 million or 26.5% of the total current assets as at 31 December 2012. Trade and other receivables comprised mainly trade receivables from PCC.

The largest component of total current assets was cash and cash equivalents amounting to S\$16.75 million or 73.5% of the total current assets as at 31 December 2012.

Liabilities

Long term liability

As at 31 December 2012, the Group did not have any long term liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Current liabilities

Current liabilities comprised substantially of other payables, accrued operating expenses and income tax payable. As at 31 December 2012, current liabilities amounted to S\$10.70 million or 100% of total liabilities.

The main component of current liabilities is income tax payable of S\$6.52 million which constituted 61.0% of the total current liabilities as at 31 December 2012.

Other payables of S\$0.76 million constituted 7.1% of total current liabilities. Other payables comprised mainly GST payable of S\$0.75 million and S\$14,000 due to a director which is non-trade related, unsecured, non-interest bearing and repayable on demand and will be settled in cash.

Accrued operating expenses of S\$3.42 million, constituted 31.9% of the total current liabilities. Accrued operating expenses constitute accruals for CPF, professional fees payable and the provision for audit and tax fees payable.

Shareholders' equity

As at 31 December 2012, shareholders' equity comprised S\$12.10 million in retained earnings and S\$1,000 in share capital.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow summary

The following table sets out a summary of our Group's cash flow for the Period Under Review and 1H2012:

(S\$ million)	FY2010 (Audited)	FY2011 (Audited)	FY2012 (Audited)	1H2012 (Unaudited)	1H2013 (Unaudited)
Net cash flows from operating activities	33.49	31.90	34.39	16.76	15.61
Net cash flows used in financing activities	(30.00)	(30.00)	(30.00)	(15.00)	(15.00)
Net increase in cash and cash equivalents	3.49	1.90	4.39	1.76	0.61
Cash and cash equivalents at the beginning of the year	6.97	10.46	12.36	12.36	16.75
Cash and cash equivalents at the end of the year	10.46	12.36	16.75	14.12	17.36

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

1H2013

Cash flow from operating activities

In 1H2013, there was a net cash inflow of S\$15.61 million from operating activities. This comprised operating cash inflows before changes in working capital of S\$18.93 million, net working capital inflow of S\$0.19 million and income tax paid of S\$3.51 million.

The increase in working capital of S\$0.19 million arose from a cash inflow of S\$2.54 million resulting from an increase in accrued operating expenses, offset with cash outflows of S\$2.17 million and S\$0.18 million from an increase in trade and other receivables and a decrease in other payables respectively.

Cash flow from financing activities

Net cash flow used in financing activities was S\$15.00 million and is attributable to dividends paid on ordinary shares.

Net increase in cash and cash equivalents

There was a net increase in cash and cash equivalents of S\$0.61 million. Cash and cash equivalents totalled S\$17.36 million as at 30 June 2013.

FY2012

Cash flow from operating activities

In FY2012, there was a net cash inflow of S\$34.39 million from operating activities. This comprised operating cash inflows before changes in working capital of S\$38.49 million, net working capital inflow of S\$2.59 million and income tax paid of S\$6.69 million.

The increase in working capital of S\$2.59 million arose from cash inflow of S\$3.19 million resulting from an increase in accrued operating expenses, offset with cash outflows of S\$0.47 million and S\$0.13 million from an increase in trade and other receivables and a decrease in other payables respectively.

Cash flow from financing activities

Net cash flow used in financing activities was S\$30.00 million and is attributable to dividends paid on ordinary shares.

Net increase in cash and cash equivalents

There was a net increase in cash and cash equivalents of S\$4.39 million. Cash and cash equivalents totalled S\$16.75 million as at 31 December 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2011

Cash flow from operating activities

In FY2011, there was a net cash inflow of S\$31.90 million from operating activities. This comprised operating cash inflows before changes in working capital of S\$39.23 million, net working capital outflow of S\$0.79 million and income tax paid of S\$6.54 million.

The decrease in working capital of S\$0.79 million arose from cash outflows of S\$0.31 million resulting from an increase in trade and other receivables, S\$0.37 million from a decrease in other payables and S\$0.11 million from a decrease in accrued operating expenses.

Cash flow from financing activities

Net cash flow used in financing activities was S\$30.00 million, and is attributable to dividends paid on ordinary shares.

Net increase in cash and cash equivalents

There was a net increase in cash and cash equivalents of S\$1.90 million. Cash and cash equivalents totalled S\$12.36 million as at 31 December 2011.

FY2010

Cash flow from operating activities

In FY2010, there was a net cash inflow of S\$33.49 million from operating activities. This comprised operating cash inflows before changes in working capital of S\$39.00 million, net working capital inflow of S\$0.50 million, interest received of S\$23,000 and offset by income tax paid of S\$6.03 million.

The increase in working capital of S\$0.50 million arose from cash inflows of S\$0.39 million and S\$0.32 million resulting from an increase in other payables and accrued operating expenses respectively, offset with a cash outflow of S\$0.21 million from an increase in trade and other receivables.

Cash flow from financing activities

Net cash flow used in financing activities was S\$30.00 million and is attributable to dividends paid on ordinary shares.

Net increase in cash and cash equivalent

There was a net increase in cash and cash equivalents of S\$3.49 million. Cash and cash equivalents totalled S\$10.46 million as at 31 December 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Source of liquidity

We funded our operations through internal sources. We derived our internal funds from profit generated from our operations as well as from our existing cash and bank balances. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further information.

The principal uses of cash are for working capital purposes and payment of dividends. As at the Latest Practicable Date, our Group had cash and bank balances of approximately S\$22.65 million.

MATERIAL CAPITAL EXPENDITURES AND DIVESTMENTS

There were no major capital expenditures or capital divestments for the Period Under Review and from 1 July 2013 up to the Latest Practicable Date.

Our Directors are of the opinion that, after taking into account our cash and bank balances position and cash from operating activities, we have adequate working capital as at the date of this Offer Document for our present requirements and for at least 12 months after the listing of our Company on the Catalist.

The Sponsor is of the reasonable opinion that, after taking into account our Group's cash and bank balances position and cash from operating activities, the working capital available to our Group as at the date of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on the Catalist.

SEASONALITY

Our business is not affected by seasonality.

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation.

SIGNIFICANT ACCOUNTING POLICY CHANGES

Save as disclosed in the "Independent Auditor's Report and the Audited Combined Financial Statements for the Years ended 31 December 2010, 2011 and 2012" as set out in Appendix A of this Offer Document and the "Independent Auditor's Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013" as set out in Appendix B of this Offer Document, we have not made any significant changes in our accounting policies during the Period Under Review.

CAPITALISATION AND INDEBTEDNESS

The following information should be read in conjunction with the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012” as set out in Appendix A of this Offer Document and the “Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013” as set out in Appendix B of this Offer Document, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group as at 30 June 2013 and 30 November 2013:

- (i) based on our unaudited combined statement of financial position as at 30 June 2013;
- (ii) based on our unaudited management accounts as at 30 November 2013; and
- (iii) as adjusted for the application of net proceeds from the Invitation.

(\$’000)	As at 30 June 2013	As at 30 November 2013	As adjusted for the net proceeds from Invitation
Cash and bank balances			
Cash and bank balances	17,355	22,648	40,972
	17,355	22,648	40,972
Total shareholders’ equity	12,819	12,790	31,114
Total capitalization and indebtedness	12,819	12,790	31,114

To the best of our Directors’ knowledge, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangements or bank loans which could materially affect our financial position and results or business operations, or the investments of our Shareholders, as we do not have any credit facilities as at the Latest Practicable Date.

As at the Latest Practicable Date, our Group has no other borrowings or indebtedness in the nature of borrowings.

Save as disclosed above and changes in our retained earnings arising from our day to day operations in the ordinary course of our business, there were no material changes to our shareholders’ equity and indebtedness.

Contingent liabilities

As at the Latest Practicable Date, we do not have any contingent liabilities.

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HISTORY AND DEVELOPMENT OF OUR GROUP

About our Company

Our Company was incorporated on 10 September 2013 under the laws of Singapore as a private company limited by shares and became the holding company of our Group pursuant to the Restructuring Exercise.

Our Group has its origins in a company, HCC, which was formed by Dr Ang Peng Tiam and Dr Teo Cheng Peng in 1997 with Dr Ang Peng Tiam holding 70% of the initial shareholding and Dr Teo Cheng Peng holding the remaining 30%. Prior to that, PTAMS was set up by Dr Ang Peng Tiam to realise his vision of bringing medical oncologists and haemato-oncologists together to form a cancer centre in the private sector. In 2004, new shares in the capital of MedInc, an existing company, were issued and allotted to Dr Ang Peng Tiam and Dr Teo Cheng Peng such that they each had an equal shareholding in MedInc.

In 2005, Dr Khoo Kei Siong and Dr Lim Hong Liang subsequently came on board and the shares in HCC were redistributed such that Dr Ang Peng Tiam, Dr Teo Cheng Peng and Dr Khoo Kei Siong each had a shareholding interest of 28.3% in HCC with Dr Lim Hong Liang holding the remaining 15.0%. The shares in MedInc and MOS, a company which was then wholly-owned by Dr Lim Hong Liang, were also redistributed in the same proportion amongst the four Specialist Doctors.

On 25 September 2006, the Specialist Doctors entered into the SCC Shareholders' Agreement in anticipation of their entering into the Original Consultancy Agreement with PHS. All four practices under PTAMS, HCC, MedInc and MOS were merged into one entity – SCC, so as to provide multidisciplinary care and develop ancillary support services for the cancer patients, which solo practices are unable to provide. On 26 September 2006, SCC then entered into the Original Consultancy Agreement with PHS to establish PCC, as an oncology service provider, and provide oncology services for all of PHS' cancer patients. The four practices under PTAMS, HCC, MedInc and MOS were merged into SCC in order to provide the medical oncology services under the Original Consultancy Agreement and all the existing patients from the four practices were also transferred to PCC.

SCC commenced operations in November 2006 and operates under the PCC brand name through a contractual arrangement between SCC and PHS, details of which are elaborated further in the "General Information on our Group – Business and Principal Activities" section of this Offer Document. Through SCC, our Group offers comprehensive cancer treatment with a highly skilled, multi-disciplinary team comprising consultant medical specialists, nurses and other para-medical professionals to meet the specific needs of cancer patients. As at the Latest Practicable Date, our Group's principal activities are those of providing medical care for cancer and haematology patients.

About SCC

SCC was incorporated on 6 December 2004 under the laws of Singapore as a private limited company. SCC is a wholly-owned subsidiary of our Company which offers comprehensive cancer treatment.

SCC entered into the Original Consultancy Agreement on 26 September 2006 with PHS in relation to the provision of specialist medical oncology services by SCC to PCC and to be performed by the Specialist Doctors with the assistance of the SCC Employees. Pursuant to the Restructuring

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Exercise and in preparation for our listing on the Catalist, certain terms of the Original Consultancy Agreement, as amended, modified and supplemented by the Consultancy Supplemental Agreement, were further amended and restated in the Consultancy Restatement Agreement. With effect from 1 October 2013, the Consultancy Restatement Agreement thus supercedes the Original Consultancy Agreement (as supplemented, amended and modified by the Consultancy Supplemental Agreement) in its entirety. The scope of services to be provided by SCC to PCC was also expanded to include, in addition to the provision of specialist medical oncology services, the provision of the services by SCC to PCC in connection with the management of the leases and sub-leases granted by SCC to PCC.

Pursuant to the Consultancy Restatement Agreement, the Specialist Doctors (with the assistance of the SCC Employees) shall provide the medical oncology services to PCC at the following premises:

- (a) Gleneagles Hospital Singapore;
- (b) Mount Elizabeth Hospital Singapore;
- (c) Mount Elizabeth Medical Centre; and
- (d) Mount Elizabeth Novena Specialist Centre.

SCC is able to leverage on the network of contacts provided by PHS through the Consultancy Restatement Agreement. Pursuant to the Consultancy Restatement Agreement, PHS shall (through its related corporations) promote and market PCC at its own cost and use its best endeavours to cause CanHOPE and the medical referral centre operated by its related corporation to refer all adult patients (with established or suspected cancer including patients with malignant lymphoma) who do not have any request to be treated by a specific medical practitioner to PCC save for patients requiring haematology and haemato-oncology treatment.

CanHOPE is a non-profit cancer counselling and support service provider manned by a team of experienced, knowledgeable and caring para-medical staff who would provide psycho-emotional support for cancer patients. They have access to comprehensive information on a wide range of cancer topics, including treatment options for cancer. They will also organise, from time to time, support group activities on various topics and interests for patients and their caregivers. Doctors from SCC will participate in medical talks and presentations organised by CanHOPE. SCC, in collaboration with PHS and through the PCC vehicle, has entered into various letters of collaboration with various service partners in several Asian countries to extend the provision of cancer counselling and support services by CanHOPE counsellors to patients in the region. These offices would also assist patients in making medical enquiries and travel arrangements for foreign patients seeking treatment with PCC.

Please refer to the “Restructuring Exercise” section of this Offer Document for further details.

The Implementation Agreement

SCC had, in furtherance of its intention to seek a listing on Catalist, entered into the Implementation Agreement on 3 September 2012 with HWT pursuant to which:

- (a) subject to the approval of, among other things, the schemes of arrangement (“**Schemes**”) by HWT’s existing shareholders and existing creditors, the listing status of HWT will be

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transferred (the “**Proposed Transfer**”) to SCC or a new holding company to be incorporated in Singapore to hold the assets and business of SCC (the “**Listco**”) as an issuer admitted to the Catalist;

- (b) in consideration of the Proposed Transfer, SCC will procure the issuance or transfer of shares in the Listco constituting 1% of the Listco’s enlarged share capital following the completion of compliance placement (the “**Consideration Shares**”) to the administrators of the Schemes. The administrators of the Schemes will then distribute the Consideration Shares, after deductions for costs and expenses incurred in the course of implementing the Schemes and the liquidation of HWT, to HWT’s existing shareholders and creditors based on the terms of the Schemes; and
- (c) if any of the conditions precedent set out in the Implementation Agreement has not been satisfied (or, where applicable, has not been waived) by 31 March 2013, the Implementation Agreement will terminate automatically.

In view of the lapse of the long-stop date of 31 March 2013 by which the conditions precedent set out in the Implementation Agreement have not been satisfied, SCC gave formal notice on 15 November 2013 indicating that it would no longer pursue the transactions contemplated in the Implementation Agreement.

Significant milestones in the growth and development of our Group

The key milestones in the growth and development of our Group are highlighted chronologically below:

- 1996 • PTAMS was set up by Dr Ang Peng Tiam to realize Dr Ang’s vision of bringing medical oncologists and haemato-oncologists together to form a cancer centre in the private sector
- 1997 • HCC was formed by Dr Ang Peng Tiam and Dr Teo Cheng Peng
- 2004 • New shares in the capital of MedInc were allotted and issued to Dr Ang Peng Tiam and Dr Teo Cheng Peng
- 2005 • Dr Khoo Kei Siong and Dr Lim Hong Liang subsequently came on board. Shares in HCC were redistributed such that Dr Ang Peng Tiam, Dr Teo Cheng Peng and Dr Khoo Kei Siong each had a shareholding interest of 28.3% in HCC with Dr Lim Hong Liang holding the remaining 15.0%. The shares in MedInc and MOS, a company which was then wholly-owned by Dr Lim Hong Liang, were also redistributed in the same proportion amongst the Specialist Doctors
- 2006 • The Specialist Doctors entered into the SCC Shareholders’ Agreement⁽¹⁾ to set out their main objectives and goals in setting up SCC. All four practices under PTAMS, HCC, MedInc and MOS were merged into one entity – SCC. SCC entered into the Original Consultancy Agreement with PHS to establish PCC and provide oncology services for all of PHS’ cancer patients

Note:

- (1) For the avoidance of doubt, the SCC Shareholders’ Agreement was officially terminated by way of a deed dated 20 December 2013, pursuant to which the Specialist Doctors are released from their respective obligations thereunder.

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- 2008 • Dr Kok Jaan Yang, our palliative medicine specialist, joins our team
- 2011 • SCC, in collaboration with PHS and through the PCC vehicle, enters into various letters of collaboration with various service partners in several regional countries to extend the provision of cancer counselling and support services by CanHOPE counsellors to patients in the region as well as assist patients in making medical enquiries and travel arrangements for foreign patients seeking treatment with PCC
- 2013 • SCC and PHS entered into the Consultancy Restatement Agreement
- 2013 • Dr Anselm Lee Chi-Wei, a paediatrician with special interest in childhood cancer, joins our team to offer specialised cancer care for children
- 2013 • Our Company was incorporated
- 2013 • Completion of Restructuring Exercise for the purpose of Listing

Our Vision

Our vision is to be a premier provider of medical oncology and palliative healthcare services in the private sector in Singapore and in the region. Our goal is to deliver quality care and service to our patients. Looking ahead, providing medical oncology and palliative healthcare services in the region and expanding our services to include the provision of secondary and primary healthcare services are also an integral part of our business model.

BUSINESS AND PRINCIPAL ACTIVITIES

Overview

We are a group of doctors providing tertiary healthcare services in the fields of medical oncology and palliative care to the oncology patients in the private sector in Singapore through PCC. Tertiary healthcare involves specialised care of a high complexity requiring specialised skills, personnel and support services. We have specialists with special interests in breast cancers, head and neck cancers, gastro-intestinal cancers, uro-gynaecological cancers, and haematology malignancies.

Our 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 also coordinate the overall care-plan for cancer patients by liaising with other medical professionals including surgeons, radiation oncologists, radiologists, physicians and para-medical professionals.

Our Group has a patient-oriented focus and a philosophy of providing personalised, caring and consistent medical care. The high quality of medical skills possessed by our specialists allows SCC to handle more of the complex clinical cases. We are often called upon to render second opinions on patients and take on treatment for those who have failed prior treatments.

Our medical oncology practice has an established track record of more than 15 years. Our palliative medical team works together with the rest of our doctors to provide an extra layer of support for cancer care so as to improve the quality of life for both the patient and the family. We believe that we have a team of reputable doctors and healthcare professionals who believe in maintaining the highest quality of medical excellence in administering oncology healthcare

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services and palliative care services to our patients. We intend to continue to attract such like-minded professionals to join us in our vision of providing quality medical oncology services and palliative care services and expand our healthcare network within Singapore and around the region.

Within the next two to three years, we intend to expand our services to include the provision of surgical services, development of cellular and target therapy for haematological as well as oncology patients. We intend to extend our market reach to markets in the region where there is an increasing demand for quality and personalized medical oncology services and palliative care services.

Our Group has established itself as one of the market leaders in medical tourism in Singapore. Foreign patients account for more than 60% of our patient-load in the past few years, with the majority of our patients hailing from regional countries such as Indonesia, Malaysia and Vietnam.

Our Group currently provides 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 Mount Elizabeth Novena Specialist Centre Singapore, which are hospitals operated by PHS.

Consultancy Agreement

General overview

SCC entered into the Original Consultancy Agreement on 26 September 2006 with PHS in relation to the provision of specialist medical oncology services by SCC to PCC and to be performed by the Specialist Doctors. Pursuant to the Consultancy Supplemental Agreement, the Original Consultancy Agreement (as supplemented, amended and modified by the Consultancy Supplemental Agreement) was renewed for a further term of five years such that the Original Consultancy Agreement would only expire on 31 October 2016, with an option to renew granted to PCC and SCC for a further period of 15 years, subject to the terms and conditions as set out in the Consultancy Supplemental Agreement. The Original Consultancy Agreement (as supplemented, amended and modified by the Consultancy Supplemental Agreement) was superseded by the Consultancy Restatement Agreement in its entirety with effect from 1 October 2013. Pursuant to the Consultancy Restatement Agreement, the term of the Consultancy Restatement Agreement shall continue till 31 October 2016 with an option for renewal by either SCC or PHS (trading as PCC) for a further period of 15 years provided that PCC achieves a profit higher than a certain benchmark for the last completed FY immediately prior to such renewal and the Specialist Doctors collectively (or as the case may be, the Company), continue to have Effective Control over SCC and the Board of Directors of the Company shall throughout the subsistence of the Consultancy Restatement Agreement continue to comprise at least two Specialist Doctors and who shall also be executive directors.

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Pursuant to the Consultancy Restatement Agreement, SCC shall provide the medical oncology services to PCC, such medical oncology services to be performed by the Specialist Doctors (with the support of the SCC Employees), whereas PHS (the sole-proprietor of PCC) shall render certain non-clinical operational support to PCC and is obliged to refer all cancer or suspected cancer cases to PCC. A team, comprising marketing, operations (inclusive of senior appointments from PHS) and para-medical staff such as counsellors and dietitians, has been established by PHS to look after the operations (mainly in relation to the areas of marketing and customer relation management) of PCC. This team is closely supervised and supported by SCC's doctors (who are headed by Dr Ang Peng Tiam) and SCC Employees (employed by SCC for the provision of the medical oncology services to PCC) respectively. For clarification purposes, other than the areas such as marketing and customer relation management of the PCC which are operated by the PHS' staff, the Specialist Doctors (with the assistance of the SCC Employees) are practically running the daily operations of PCC. In addition, SCC's management and staff hold regular meetings (such as board meetings, senior management meetings and meetings on operational matters) with PHS' management and staff, to review all marketing, operational and paramedical issues in order to ensure the standard of care and quality of services of PCC.

For the avoidance of doubt, the Specialist Doctors and any personnel engaged by SCC in connection with the provision of the medical oncology services are not regarded as employees of PCC.

During the term of the Consultancy Restatement Agreement, each of the Specialist Doctors shall and SCC shall procure that each of the Specialist Doctors and the SCC Employees shall:

- (a) devote substantially the whole of his/her working time and attention (and in the case of each of Specialist Doctors, to the extent which is in their ability to do so on a best endeavours basis) to the performance of the medical oncology services to PCC; and
- (b) in the performance of the medical oncology services provided to PCC and in exercise of such powers observe and comply with all applicable laws and all policies, regulation and directions from time to time made or given by PCC.

The Specialist Doctors also undertake to PCC and SCC that, they shall on a best endeavours basis (taking into consideration the time and effort to be spent by the Specialist Doctors) in connection with:

- (a) the Listing and the Restructuring Exercise; and
- (b) their relevant roles and responsibilities in their positions as executive directors (where relevant) of the Company after the completion of the Listing and the Restructuring Exercise,

ensure that each of their services are at all times available to SCC, so as to ensure that the medical oncology services provided to PCC are to the satisfaction of PCC.

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Each of the Specialist Doctors undertakes to PHS that for so long as the Consultancy Restatement Agreement shall be in subsistence, he shall procure (save as may be otherwise agreed between each of the Specialist Doctors and PHS in writing) that:

- (aa) the Company shall be the sole shareholder of SCC and that no other person shall acquire any interest in the share capital of SCC, or any interest that may, directly or indirectly, be convertible into shares of SCC; and
- (bb) the Specialist Doctors shall collectively have Effective Control over the Company and at least two members on the Board of Directors of the Company shall be Specialist Doctors and who shall also be executive directors.

Leases

The Properties which were, as at the date of the Consultancy Restatement Agreement, not leased to SCC, namely the leases existing between (i) PCC and PTAMS in respect of #05-53/54/55, Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563, and (ii) PCC and AYSUS in respect of #05-52 Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563 as at 18 September 2013 were transferred and novated in their entirety to SCC commencing on 1 October 2013. These Properties as well as the remaining Properties, namely (i) #13-16/17, Mount Elizabeth Medical Centre, 3 Mount Elizabeth, Singapore 228510 and (ii) #14-14, Mount Elizabeth Medical Centre, 3 Mount Elizabeth, Singapore 228510, which are leased to SCC as at 1 October 2013, were then sub-leased by SCC to PCC with effect from 1 October 2013 in consideration of the payment of a lease management fee or a monthly lease management fee by PCC. The lease management fee payable by PCC to SCC for the leases and sub-leases on a full FY amounts to approximately S\$518,000.

“Properties” mean the following premises at:

- (a) #05-53/54/55, Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563;
- (b) #05-52, Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563;
- (c) #13-16/17, Mount Elizabeth Medical Centre, 3 Mount Elizabeth, Singapore 228510; and
- (d) #14-14, Mount Elizabeth Medical Centre, 3 Mount Elizabeth, Singapore 228510.

Fees payable to SCC

Under the Consultancy Restatement Agreement, PCC pays the following to SCC in respect of each FY:

- (a) a consultancy fee, being an amount payable by PCC to SCC for the provision of the medical oncology services and other services to PCC and representing a certain percentage of the total gross revenue of PCC for that FY. For clarification purposes, PCC derives its gross revenue from the invoices billed to the patients or third parties in connection with consultation fees, in-patient fees, sponsorships received, drugs prescribed, medicine prescribed, diagnostics as well as clinical trial fees. For the avoidance of doubt, revenue derived from haematology and stem cell services, provided through the PCC vehicle, have been included in PCC’s gross revenue computation.

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- (b) a management fee, being the aggregate of (i) the total salaries, wages and benefits payable by SCC to SCC Employees and the Specialist Doctors for that FY and (ii) the total lease management fee⁽¹⁾ payable by PCC to SCC for the lease management services provided by SCC to PCC in respect to the Properties for that FY; and
- (c) the SCC share of profit, which is based on a tiered profit-sharing model as set out in the Consultancy Restatement Agreement.

Employment

The Consultancy Restatement Agreement clarified that the payment for the salaries, wages and benefits to the Specialist Doctors and the SCC Employees would remain at all times the responsibility and obligation of SCC as they are employed by SCC only. In addition, SCC is granted the rights to change, replace or terminate the employment of any of the SCC Employees or engage or employ additional doctors or personnel for the provision of medical oncology services to PCC. In the event that any Specialist Doctor is unable to perform the medical oncology services due to unforeseen circumstances beyond his control, SCC and the Specialist Doctors shall procure that a suitably qualified and experienced practitioner be nominated as a replacement with the prior written approval of PCC.

Non-competition and non-solicitation provisions

Each of the Specialist Doctors, SCC, PTAMS, MOS, MedInc, HCC and AYSUS undertakes to PCC that none of them shall at any time during the term of the Consultancy Restatement Agreement, in Singapore, other than as contemplated in the Consultancy Restatement Agreement or as may be otherwise agreed between the parties in writing:

- (a) be directly or indirectly engaged (including without limitation through the Company or any affiliate of the Company), concerned or interested in the conduct of any business competing with any business currently carried out by PHS and its related corporations as at 18 September 2013, including without limitation laboratory testing services, radiology services, radiotherapy services, hospitals and PCC's business of providing medical oncology services (the "**Restricted Business**"); or
- (b) directly or indirectly (including without limitation through the Company or any affiliate of the Company) own, operate, manage, control, participate in the management or control of, be employed by, maintain or continue any interest whatsoever in, any enterprise which is directly or indirectly in competition with the Restricted Business; or
- (c) directly or indirectly (including without limitation through the Company or any affiliate of the Company) assist any person with technical advice in relation to any business competing with or similar to the Restricted Business; or
- (d) otherwise be interested, directly or indirectly (including without limitation through the Company or any affiliate of the Company), in any business competing with or similar to the Restricted Business.

Note:

- (1) For clarification purposes, although there is no mark-up to the lease rental payable by SCC to its lessors, the lease management fee is not, strictly speaking, a mere reimbursement of SCC's lease expenses as the lease management fee is payable by PCC to SCC in consideration of the rental services provided by SCC to PCC exclusively.

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Nonetheless, the Specialist Doctors or SCC are not prevented from providing haematology and stem cell services at and through PCC and continuing to provide private cord blood banking services independently of PCC. For the avoidance of doubt, the Consultancy Restatement Agreement only precludes SCC from providing haematology and stem cell services independently of PCC.

Termination provisions

The Consultancy Restatement Agreement shall continue until 31 October 2016 (the “**Initial Period**”) unless terminated in accordance with the termination provisions of the Consultancy Restatement Agreement. On the expiration of the Initial Period, the Consultancy Restatement Agreement, may, at the option of PCC or SCC be renewed for a further period of 15 years provided that PCC achieves a profit higher than a certain benchmark for the last completed FY immediately prior to such renewal and the Specialist Doctors collectively (or as the case may be, the Company), continue to have Effective Control over SCC and the Board of Directors of the Company shall throughout the subsistence of the Consultancy Restatement Agreement continue to comprise at least two Specialist Doctors and who shall also be executive directors.

Either PCC or SCC may terminate the Consultancy Restatement Agreement by giving the other party not less than six months’ prior written notice if there arises any irreconcilable differences which remain despite all reasonable efforts at resolution, provided that no such notice may be served at any time during the Initial Period. Nonetheless, PCC may terminate the Consultancy Restatement Agreement at any time by giving not less than six months’ prior notice in the event that the Specialist Doctors collectively cease to have Effective Control over SCC, or where the Company is the shareholder of SCC, over the Company, or where the board of directors of the Company or SCC ceases to comprise at least two Specialist Doctors who are also executive directors.

PCC may terminate the Consultancy Restatement Agreement at any time by giving the other parties written notice if the Specialist Doctors collectively cease to have Effective Control of SCC or where the Company is the shareholder of SCC, over the Company, or where the board of directors of the Company or SCC ceases to comprise at least two Specialist Doctors and who are also executive directors; or where any of the other parties:

- (a) commits a material breach of any of the terms of the Consultancy Restatement Agreement and, where such a breach is capable of remedy, fails to remedy the same within 30 days after receipt of a written notice from PCC giving full particulars of the breach and requiring it to be remedied; or
- (b) enters into insolvency.

SCC may terminate the Consultancy Restatement Agreement forthwith at any time by giving to PCC written notice if PCC:

- (i) commits a material breach of any of the terms of the Consultancy Restatement Agreement and, where such a breach is capable of remedy, fails to remedy the same within 30 days after receipt of a written notice from SCC giving full particulars of the breach and requiring it to be remedied; or
- (ii) enters into insolvency.

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For the purposes of this sub-section “Termination Provisions”:

- (aa) a breach shall be considered capable of remedy if the defaulting party can comply with the terms in question in all respects within 30 days after receipt of notice of the breach, other than as to the time of performance (provided that the time of performance is not of the essence); and
- (bb) a party to the Consultancy Restatement Agreement shall be deemed to enter into insolvency if:
- (i) it suspends or ceases or threatens to suspend or cease all or a substantial part of its operations; or
 - (ii) (where the defaulting party is not an individual) a meeting is convened, a petition presented, an order made or a resolution passed for its winding-up (except for the purposes of a reconstruction or amalgamation whilst solvent); or
 - (iii) (where the defaulting party is an individual) a petition presented or an order made for his bankruptcy; or
 - (iv) a petition is presented for the appointment of a judicial manager or a manager and/or received in relation to it; or
 - (v) a distress, execution or other legal process is levied against any of its assets; or
 - (vi) an encumbrancer takes possession or a manager and/or receiver or a judicial manager or similar official is appointed over the whole or any part of its assets or undertaking; or
 - (vii) if any event occurs which, under applicable law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned above.

For the avoidance of doubt, financial losses incurred by PCC *per se* will not lead to the termination of the Consultancy Restatement Agreement.

Business

Presently, our main business activity is the provision of medical oncology services through PCC. The oncology services provided by us through SCC and the PCC vehicle are complemented by the palliative care provided by us, further details of which are also provided below.

Medical Oncology

Our oncology specialists specialise in providing medical oncology services targeting all the various cancers, with special interest in:

- breast cancer;
- colon cancer;
- lung cancer;
- liver, biliary and pancreatic cancers;

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- stomach and other gastrointestinal cancers;
- head and neck cancers;
- lymphoma;
- leukemia;
- genito-urinary and gynaecological cancers; and
- sarcoma and brain cancer.

We are constantly updating our range of medicines and chemotherapies so as to equip our clinics with better drugs to enable our doctors to provide quality cancer treatment for our patients aimed at improved treatment efficacy and better quality of life.

The newer chemotherapies such as biological agents and targeted cancer therapies are generally associated with improved overall results and reduced – or even absent – side effects. Chemotherapy is carefully administered by our qualified nurses who have specialised training in oncology, and under the close supervision of our medical oncologists.

We provide the following chemotherapy options:

- Upfront or induction chemotherapy: This method shrinks the tumour size before definitive local treatment with surgery or radiotherapy.
- Concurrent chemo-radiation where drugs are used as radio-sensitisers to improve the effectiveness of radiotherapy:
 - Adjuvant chemotherapy: Drugs are administered after surgery or radiotherapy to treat invisible micrometastases and improve the overall chances of cure.
 - Curative chemotherapy: This is generally used to treat very chemo-sensitive cancers like leukemia, myeloma, lymphoma and germ cell cancers.
 - High-dose chemotherapy and stem cell rescue: In this method, stem cells are extracted before high-dose chemotherapy is applied, and re-infused post-treatment to help the bone marrow recover.
 - Palliative chemotherapy (for advanced cancers): For advanced cancers, this approach kills cancer cells, controls the disease and prolongs survival while striving to preserve quality of life.

Palliative Care

We, through the PCC vehicle (which is Singapore's first private-healthcare organisation to provide palliative care as part of a holistic cancer programme), offer a strong support system to cater to the psychosocial needs of our patients and their families. To safeguard the quality of life of our patients, our palliative care specialist works closely with the medical and radiation oncologists to achieve optimal pain-relief and symptoms-control. While palliative medicine is an integral part of our comprehensive cancer treatment programme to provide the best possible cancer care for our

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patients, not every patient that has been discharged needs palliative care. It is especially for patients who require specific services such as cancer pain management, discharge and home care planning, advance care planning and end-of-life care planning.

We administer palliative care on the following fronts:

- **Cancer pain management:** About a quarter of the patients with advanced cancers suffer from severe cancer pain. This pain may be difficult to control. Sometimes the pain-relieving medication may cause side effects. Our palliative care specialist helps to reassess and manage the cancer pain, as well as helps minimize the side effects of the pain-relieving medications.
- **Discharge and home care planning:** Patients with advanced cancers may get weaker and require more than the usual care at home. Our palliative care specialist can evaluate the condition and determine the nursing and equipment requirements of the patient at home. Also, we will link up with appropriate services that will provide the necessary nursing care and equipment rental/purchase. We also arrange for home visits for the patients who are too weak to see us in the clinics.
- **Advance care planning:** Advance care planning is a new concept that is getting popular in the United States of America and Australia. Our palliative care specialist can help the patient to plan and document his own wishes regarding his medical treatment in advance, and to appoint a substitute decision maker, in the event he loses the mental capacity to do so in the future.
- **End-of-life care:** Patients with advanced cancers may suffer from many symptoms in their last days. These symptoms can be very distressing to them and their family members. Our palliative care specialist can help to assess and address these symptoms so that they can be more comfortable in the place of care.

Ancillary health services

Through SCC and PCC, our Group provides CANSCREEN, a screening programme that aims to provide screening for individuals at a higher risk of getting cancer which includes screening by a cancer specialist, screening packages that are customised to suit individual risk profiles and genetic counselling for those with high-risk hereditary cancers. The relevant tests administered include blood investigations to screen for cancers which may include tumour markers and other specialised tests such as colonoscopy, gastroscopy, nasopharyngoscopy, mammographic screening and pap smears.

Overseas Operations

Outside of Singapore we plan to operate primarily through our wholly-owned subsidiary, SCC. However, wherever possible, we hope to tag on to the wide network established by PHS and its Affiliates.

Through PCC, we have entered into several collaboration letters with regional service providers to set up CanHOPE offices in the region to provide continual support for foreign patients when they return to their home countries in between treatment sessions in Singapore. These offices handle patient enquiries, provide information on cancer treatment and also assist in making travel arrangements for patients wishing to seek medical treatment with PCC.

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Whilst we are subject to general risks associated with doing business outside Singapore, we have not experienced any occurrences associated with these risks that have had a material impact on our financial performance as at Latest Practicable Date.

SERVICE QUALITY CONTROL

We pride ourselves on delivering quality personalised care for our patients and continuously seek feedback from our patients via questionnaires, which are conveniently placed at our clinics and cancer centres. We also engage an external service provider to conduct phone surveys. We collate the feedback and our respective clinics or cancer centres will address the relevant issues.

Our oncologists and haematologists regularly hold “tumour boards” with the participation of other doctors including surgeons, radiologists, radiation oncologists and physicians to discuss the latest complex clinical cases encountered so as to provide their respective input on management of these patients.

Under the Continuing Medical Education Programme administered by the SMC, medical practitioners in Singapore are required to continually upgrade their knowledge and skills in order to maintain their competency to practice. Our employees are also encouraged to attend workshops and seminars to keep abreast of developments in the medical sector and acquire new skills to improve their job competency.

Our staff training expenditure for the Period Under Review was not significant.

INSURANCE

As of the Latest Practicable Date, our only operating entity is SCC (which provides medical oncology services through PCC) and the following insurance have been effected to cover our operational, human resource and fixed asset risks in respect of PCC:

PCC

Operational Risks

- (a) Medical Malpractice liability for the Specialist Doctors and the SCC Employees seconded to PCC – for any possible litigation that may arise due to the malpractice of any of our doctors and staff performing their services;
- (b) Loss of Money insurance for any possible loss of money in transit from or to the clinics, or money kept at the clinics, due to fire, lightning or burglary;
- (c) Industrial all-risks insurance for any loss in gross profit resulting from interruption or interference to the business of PCC; and
- (d) Public Liability for any possible accidents that may happen at the medical centres/clinics involving third parties.

Human Resource Risks

- (a) Keyman Insurance for Dr Ang Peng Tiam (effected by PCC).

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Fixed Assets Risks

- (a) Machinery breakdown insurance for any unforeseen and sudden physical loss or damage caused to plant and machinery owned, leased or hired by PCC; and
- (b) Electronic equipment insurance for any sudden and unforeseen physical loss or damage to computer equipment belonging to PCC.

SCC

SCC has effected the following insurance to cover its operational, human resource and fixed asset risks:

Operational Risks

- (a) group personal accident insurance and group hospital and surgical insurance for the doctors and the SCC Employees;
- (b) group travel insurance for the doctors; and
- (c) work injury compensation insurance for the relevant SCC Employees who are earning less than or equal to S\$1,600 per month.

Human Resource Risks

- (a) Keyman Insurance for Dr Ang Peng Tiam (effected by SCC).

The above insurance policies are reviewed annually to ensure that our Group has sufficient insurance coverage.

In addition to the above, all our doctors have, on their own account, taken out personal professional medical indemnity insurance cover.

To the best of our Directors' knowledge, as at the Latest Practicable Date, there has been no disciplinary action or legal proceedings taken against our Group in relation to the provision of healthcare services, save for those disclosed in the section "General and Statutory Information" of this Offer Document.

MAJOR CUSTOMERS

Through the PCC vehicle, our customer base comprised individual patients. Our business and profitability are not materially dependent on any single individual client. There are no individual clients who each accounted for 5.0% or more of our Group's total historical combined revenue in FY2010, FY2011, FY2012, or 5.0% or more of our Group's unaudited revenue in 1H FY2013.

None of our Directors, Substantial Shareholders or Executive Officers or their respective Associates has any interest, direct or indirect, in any of our customers. To the best of our Directors' knowledge and belief, there are no arrangements or understanding with any customers pursuant to which any of our Directors and Executive Officers were appointed.

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MAJOR SUPPLIERS

As at the Latest Practicable Date, our only operating entity is SCC (which provides medical oncology services through the PCC vehicle). The nature of our business is such that our main expenses are salaries and rental, with other expenses forming an immaterial portion of our total expenses. As such, our Group does not have any major suppliers. Drugs and surgical supplies are recorded in the books of PCC, which purchases these drugs and surgical supplies for cost-efficiency purposes.

None of our Directors, Executive Officers or Substantial Shareholders are related to or has any interest, direct or indirect, in our suppliers. To the best of our Directors' knowledge and belief, there are no arrangements or understanding with any suppliers pursuant to which any of our Directors and Executive Officers were appointed.

PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Group does not own any property.

As at the Latest Practicable Date, our Group leases the following property:

Location	Operating Entities	Land/Floor Area (sq m)	Purpose/Use	Lease Term	Rental Per Month (\$)	Lessor
#05-53/54/55, Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563 ⁽¹⁾⁽²⁾	SCC	190	Medical	Two years starting from 1 July 2012	15,200.00	PTAMS
#05-52, Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563 ⁽¹⁾⁽²⁾	SCC	48	Medical	Two years starting from 1 July 2012	4,100.00	AYSUS
3 Mount Elizabeth, Mount Elizabeth Medical Centre #13-16/17, Singapore 228510 ⁽¹⁾⁽²⁾	SCC	193	Medical	Three years starting from 1 May 2013	16,836.72	Dr Ang Peng Tiam
Mount Elizabeth Medical Centre, 3 Mount Elizabeth, #14-14, Singapore 228510 ⁽¹⁾⁽²⁾	SCC	100	Medical	Two years starting from 1 November 2012	7,000.00	Dr Lim Hong Liang

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Location	Operating Entities	Land/Floor Area (sq m)	Purpose/Use	Lease Term	Rental Per Month (S\$)	Lessor
#05-50/51 Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563 ⁽²⁾	SCC	114	Medical	Three years starting from 1 November 2013	9,816.00	Leong See Odd Pte. Ltd.

Notes:

- (1) Please refer to the section on “Interested Person Transactions” in this Offer Document for more information.
- (2) These premises are then sub-leased by SCC to PCC.

As at the date of this Offer Document, our Group has an aggregate monthly rental of S\$52,952.72.

SALES AND MARKETING

Our marketing activities in Singapore are carried out only in relation to PCC (instead of SCC *per se*) within the ambit of applicable guidelines issued by MOH and the relevant laws and regulations in Singapore, while our marketing activities outside Singapore are carried out within the ambit of applicable laws and regulations in the relevant territory.

In terms of the oncology services provided by SCC via the PCC vehicle in Singapore, all relevant marketing activities are currently undertaken by PHS. As the sole proprietor of PCC, PHS has the exclusive rights to use the PCC brand name. In addition, as provided by the Consultancy Restatement Agreement, PHS is under the contractual obligation to promote and market the PCC business at its own cost. Accordingly, a team comprising over 30 staff has been established by PHS to look after the operations of PCC (mainly in relation to areas of marketing and customer-relation management). PHS’ relevant marketing efforts include branding collaterals, regular advertising and promotion activities as well as medical talks conducted both locally and in the overseas market.

Pursuant to the Consultancy Restatement Agreement, PHS shall (through its related corporations) promote and market PCC at its own cost and use its best endeavours to cause the medical referral centre operated by its related corporation to refer all adult patients (with established or suspected cancer including patients with malignant lymphoma) who do not have any request to be treated by a specific medical practitioner to PCC save for patients requiring haematology and haemato-oncology treatment. However, in accordance with the Consultancy Restatement Agreement, PHS is not subject to a minimum budget commitment to market PCC.

Our doctors regularly attend health conferences in Singapore and overseas. These events provide opportunities for our doctors, either as guest speakers or participants, to network with other doctors and the public to increase our presence in the medical industry. Many of our doctors have also contributed articles in various newspapers, magazines and medical journals, which also increase awareness of our Group in the public as well as the medical fraternity. PCC had also commissioned patient education programmes with national media, such as “*Journey of Hope*”, “*Edge of Life*” and “*Cancer Warriors*” which ran on ChannelNewsAsia.



GENERAL INFORMATION ON OUR GROUP

Brochures and pamphlets which are updated with our latest service offerings and other information are distributed in our clinics and during health talks and corporate events.

INTELLECTUAL PROPERTY

Currently, our business and profitability is not materially dependent on any intellectual property such as patents, patent rights, licences and processes or other intangible assets. We have not paid or received royalties for any licence or use of an intellectual property.

As at the Latest Practicable Date, we have applied for registration of the following trademark:

Trademark	Class	Country of Registration	Date of Application	Status
(series of 2)  	44 ⁽¹⁾	Singapore	1 November 2013	Pending

Note:

- (1) Class 44 is applicable to medical products and medical services; medical diagnostic services; medical analysis services; medical clinic services; medical counseling; medical treatment services; preventive medical services; medical and physical examination of individuals; arranging of medical treatment; x-ray services; pharmaceutical advisory services; provision of medical assistance; provision of medical facilities; provision of medical information; advisory services relating to medical problems; conducting of medical examinations; consultancy and advisory services in relation to medical services; health care consultancy services (medical); services for the preparation of medical reports; medical health assessment services; nutritional and dietetic services; aesthetic treatment services.

LICENCES

Our Group does not operate any clinics (the licences are granted to PCC by MOH under the Private Hospitals and Medical Clinics Act 1980 (Chapter 248)). To the extent that we carry out the provision of medical oncology services and the palliative care services through PCC at the clinics, we are in that sense dependent on these licences (through the PCC vehicle) to carry on our business. Failure to renew such licences will have a material adverse effect on operations and profitability. As at the Latest Practicable Date, we have all the necessary licences and permits for our operations. To the best of our Directors' knowledge and belief, there are at present no facts or circumstances which would cause such licences and permits to be suspended, revoked or cancelled as the case may be or for any applications for, or for the renewal of, any of these licences and permits to be rejected by the relevant authorities. Please refer to the section on "General Information on our Group – Government Regulations" of this Offer Document for more information on the main laws and regulations that we are subject to.

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The following licences are subject to inspections on an ad-hoc or pre-arranged basis and are specific to location and not transferable. An inspection is carried out prior to the expiry of a licence.

Licensed Location	Name of Licensed Premise	License Number	Tenure (years)	Duration	Licensed Activity
6A Napier Road #02-00 Gleneagles Hospital Singapore 258500	Parkway Cancer Centre	94/947761/2012	Two	10 September 2012 to 9 September 2014	Medical clinic
6A Napier Road #01-35 Gleneagles Hospital Singapore 258500	Parkway Cancer Centre	94/948152/2012	Two	27 January 2013 to 26 January 2015	Medical clinic
6A Napier Road #03-00 Gleneagles Hospital Singapore 258500	Parkway Cancer Centre	13C0216/75/132	Two	27 August 2013 to 26 August 2015	Medical clinic
3 Mount Elizabeth #02-00 Mount Elizabeth Hospital	Parkway Cancer Centre	94/947881/2012	Two	9 October 2012 to 8 October 2014	Medical clinic
3 Mount Elizabeth #13-16/17 Mount Elizabeth Hospital	Parkway Cancer Centre	94/947973/2012	Two	30 October 2012 to 29 October 2014	Medical clinic
38 Irrawaddy Road #05-50/51/52/53/54/55 Mount Elizabeth Novena Specialist Centre	Parkway Cancer Centre	12C0160/02/132	Two	31 October 2013 to 30 October 2015	Medical clinic
3 Mount Elizabeth #14-14 Mount Elizabeth Medical Centre	Parkway Cancer Centre	94/948268/2012	Two	28 December 2012 to 27 December 2014	Medical clinic

RESEARCH AND DEVELOPMENT

Currently, we do not conduct product R&D activities.

GOVERNMENT REGULATIONS

We are in a highly regulated industry. Extensive guidelines, regulations and laws govern our operations in Singapore. The following description is a summary of material laws and regulations applicable to our Group under Singapore law. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of Singapore laws and regulations on our Group.

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Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore (the “PHMC Act”)

Private hospitals, medical clinics, clinical laboratories and healthcare establishments in Singapore are regulated by the PHMC Act and relevant subsidiary legislation, primarily the Private Hospitals and Medical Clinics Regulations 2003 (the “**PHMC Regulations**”) and the Private Hospitals and Medical Clinics (Publicity) Regulations. All our clinics are medical clinics as defined under the PHMC Act.

The PHMC Act requires that a licence issued by the Director of Medical Services (“**DMS**”) be obtained before any premises or conveyance is used as a private hospital, medical clinic, clinical laboratory or healthcare establishment.

All the medical clinics in Singapore operated by PCC at which we provide our medical oncology services and palliative care services hold licences issued by the MOH which are subject to the provisions of the PHMC Act and any directions or guidelines as may be given or issued from time to time by the DMS.

The PHMC Act and PHMC Regulations provide for, *inter alia*, the factors that determine when a license may be issued or refused, persons who may manage, *inter alia*, medical clinics or clinical laboratories and their duties, the suspension or revocation of licenses, the establishment of quality assurance committees by the licensees of medical clinics or clinical laboratories and the powers of the DMS.

In determining whether to issue or refuse to issue a license, the DMS shall have regard to, *inter alia*, the following:

- (a) the character and fitness of the applicant to be issued with a license or, where the applicant is a body corporate, the character and fitness of the members of the board of directors or committee or board of trustees or other governing body of the body corporate;
- (b) the ability of the applicant to operate and maintain a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be, in accordance with the prescribed standards;
- (c) the suitability of the premises or conveyance (including the facilities and equipment therein) to be licensed for use as a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be; and
- (d) the adequacy of the nursing and other staff that are to be employed at the premises or conveyance to be licensed.

The licence may be granted for a period of two years and is renewable at the discretion of the DMS and subject to such restrictions and conditions as the DMS may think fit. The licence may also be suspended or revoked if there is amongst others, a breach of any of the provisions of the PHMC Act.

Additionally, the licensee of a private hospital, medical clinic or healthcare establishment is required to keep and maintain proper medical records. Licensees are required under the PHMC Regulations to take all reasonable steps, including implementing such processes as are necessary, to ensure that the medical records are as accurate, complete and up-to-date as are necessary for the purposes for which they are to be used, and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or

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unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification. Licensees are also required to periodically monitor and evaluate the safeguards to ensure that they are effective and being complied with by the persons involved in handling the medical records, as well as take reasonable care in the disposal or destruction of the medical records so as to prevent unauthorised access to the records.

Any changes in the appointment of any person as the manager or deputy manager of a licensee of a private hospital, medical clinic or clinical laboratory or any intention by a licensee to cease operating or to let, sell or in any way dispose of a private hospital, medical clinic, clinical laboratory or healthcare establishment shall require notification to be made to the DMS.

The Private Hospital and Medical Clinics Guidelines 1993 also requires all medical and dental clinics to make available to patients, prior to consultation, information on charges which are likely to be incurred for consultation, investigation and treatment.

*Medical Registration Act, Chapter 174 of Singapore (the “**Medical Registration Act**”)*

The Medical Registration Act provides for, *inter alia*, the establishment of the SMC and the registration of medical practitioners in Singapore.

The functions of the SMC include:

- (a) keeping and maintaining registers of registered medical practitioners;
- (b) issuing practising certificates to registered medical practitioners;
- (c) approving or rejecting applications for registration under the Medical Registration Act or approving any such application subject to such restrictions as it may think fit;
- (d) making recommendations to the appropriate authorities for the training and education of registered medical practitioners; and
- (e) determining and regulating the conduct and ethics of registered medical practitioners.

No person shall practise as a medical practitioner unless he is registered under the Medical Registration Act and has a valid practising certificate. Any person who is not qualified and, *inter alia*, (a) practises medicine (b) wilfully and falsely pretends to be a duly qualified medical practitioner (c) practises medicine or any branch of medicine, under the style or title of physician, surgeon, doctor (d) advertises or holds himself out as a medical practitioner, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 12 months or to both. In the case of a second or subsequent conviction, a fine not exceeding \$200,000 or imprisonment for a term not exceeding two years or both will be imposed.

Private Hospitals and Medical Clinics (Publicity) Regulations

The publicity of healthcare institutions, defined as private hospitals, medical clinics, clinical laboratories and healthcare establishments, is regulated under the Private Hospitals and Medical Clinics (Publicity) Regulations 2004. The licensee of a healthcare institution shall ensure that any publicity of the services of the healthcare institution conducted by him or any other person on his behalf in Singapore complies with the following requirements:

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- (a) the information contained in the publicity being factually accurate and capable of being substantiated, and must not be exaggerated, false, misleading or deceptive;
- (b) the publicity must not be offensive, ostentatious or in bad taste such as to undermine the honour and dignity of the medical, dental or nursing profession;
- (c) the publicity must not contain any information that implies that the healthcare institution can obtain results from treatment not achievable by other healthcare institutions or create an unjustified expectation from the treatment provided; or compares and contrasts the quality of the services of the healthcare institution with those provided by other healthcare institutions or deprecate the services of other healthcare institutions;
- (d) the publicity must not contain any laudatory statements (including statements of prominence or uniqueness) or superlatives to describe the services of the healthcare institution;
- (e) the information contained in the publicity must not contain any testimonial or endorsement of the services, including the services of any employee of the healthcare institution; and
- (f) the publicity must not provide information to the public in such a manner as to amount to soliciting or encouraging the use of the services provided by or at any healthcare institution.

Ancillary laws and regulations

The operation of healthcare business in Singapore is also subject to other ancillary laws and regulations, including:

- (a) the Medicines Act, Chapter 176 of Singapore, which provides provisions relating to, *inter alia*, general provisions for the manufacturing of and dealing in medicinal products, the considerations of the licensing authority for granting licenses, the regulation of pharmacies, the labelling of medicines, the packaging of medicines and the content of materials advertising and/or promoting the sale of medical products;
- (b) the Poisons Act, Chapter 234 of Singapore, which regulates the importation, possession, manufacture, compounding, storage, transport and sale of poisons;
- (c) the Sale of Drugs Act, Chapter 282 of Singapore, which makes provisions for the sale of drugs in a pure state so that consumers are supplied with the quantity and quality of drugs demanded by them, explicitly or implicitly;
- (d) the Health Products Act, Chapter 122D of Singapore, which regulates the manufacture, import, supply, presentation and advertisement of health products and of active ingredients used in the manufacture of health products;
- (e) the Nurses and Midwives Act, Chapter 209 of Singapore, which provides for the registration and enrolment of nurses and other matters connected therewith such as the regulation of standards for the training and education of, among others, registered nurses and enrolled nurses;
- (f) the Pharmacists Registration Act, Chapter 230 of Singapore, which stipulates the qualification requirements and application processes for registration of pharmacists, and regulates the practice of pharmacy in Singapore;

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- (g) the Infectious Diseases Act, Chapter 137 of Singapore, which relates to the quarantine and the prevention of infectious diseases; and
- (h) the Human Organ Transplant Act, Chapter 131A of Singapore, which stipulates provisions for the removal of organs for transplantation, including the removal of organs after death and organ transplants from living donors.

Singapore Medical Council Ethical Code and Ethical Guidelines

The Singapore Medical Council Ethical Code sets out the fundamental tenets of conduct and behaviour expected of doctors practising in Singapore. Under the Singapore Medical Council Ethical Code, a doctor is generally expected, *inter alia*, to:

- (a) be dedicated to providing competent, compassionate and appropriate medical care to patients;
- (b) provide access to and treat patients without prejudice of race, religion, creed, social standing, disability or financial status;
- (c) maintain the highest standards of moral integrity and intellectual honesty;
- (d) keep confidential all medical information about patients; and
- (e) keep abreast of medical knowledge relevant to practice and ensure that clinical and technical skills are maintained.

The Singapore Medical Council Ethical Guidelines elaborate on the application of the Singapore Medical Council Ethical Code and are intended as a guide to all medical practitioners as to what the SMC regards as the minimum standards required of all medical practitioners in the discharge of their professional duties and responsibilities in practice in Singapore.

Some of the relevant guidelines provided include:

- (a) doctors who have any financial or professional relationship with organisations offering medical services have responsibility for the organisation's standard of information output about themselves and must therefore acquaint themselves with the nature and content of the organisation's information output as well as their press and media output; and
- (b) doctors may provide information about their qualifications, areas of practice, practice arrangements and contact details. Such information, where permitted, shall be factual, accurate, verifiable and shall not be an extravagant claim, misleading, sensational, persuasive, laudatory, comparative or disparaging.

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COMPETITION

The healthcare services industry in Singapore is very competitive with many healthcare service providers, both in different segments of the population and/or different fields of medicine. Accordingly, we believe that the following healthcare service providers are our main competitors in Singapore:

Name of competitor	Competing service offerings
National Cancer Centre Singapore	Research and treatment of cancer
National Cancer Institute Singapore (National University Hospital)	Research and treatment of cancer
Singapore Oncology Consultants	Treatment of cancer
Oncocare Cancer Centre	Treatment of cancer

There is an increasing trend towards medical tourism in the Asia Pacific region. In this respect, we may face competition from healthcare providers in other countries such as Malaysia or Thailand who may be able to offer medical service at a more competitive price.

None of our Directors, Substantial Shareholders or Executive Officers or their respective Associates has any interest, direct or indirect, in any of our above competitors.

COMPETITIVE STRENGTHS

We believe our competitive strengths are as follows:

(1) Our doctors have an established market reputation

All of our doctors have postgraduate medical degrees and have completed their respective specialty as well as sub-specialty training. The youngest specialist in our team has had 13 years of clinical experience and the oldest, 31 years of clinical experience.

Three of our specialists are former heads of medical oncology departments at Singapore General Hospital, National University Hospital and National Cancer Centre.

All of our doctors have held consultant or senior consultant positions before joining us. They have all had the experience of working in a local government restructured hospital as well as in a reputable overseas centre. They bring with them practice knowledge from some of the world's leading cancer centres including M.D. Anderson Cancer Centre (Houston), Memorial Sloan Kettering Cancer Centre (New York), Royal Marsden Hospital (London), Stanford University Medical Centre (Palo Alto), National Cancer Centre (Tokyo), St Vincent's Hospital (Melbourne), The Christie Hospital (Manchester), Sydney Cancer Centre, Royal Prince Alfred Hospital (Sydney) and Peter McCallum Cancer Institute (Melbourne).

Our medical oncology practice has an established track record of more than 15 years and provides a platform for growth in Singapore and overseas. Such a track record incentivises other leading medical consultants to join our Group and provide more points of revenue generation. We have a high patient volume in the fields of medical oncology and haematology in the private sector and we are continuously on the look-out for opportunities to reach out to patients overseas and extend our market reach both locally and regionally.

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The high quality of medical skills possessed by our specialists allows SCC to handle more of the complex clinical cases. We are often called upon to render second opinions on patients and take on treatment for those who have failed prior treatments.

(2) We provide a continuum of healthcare services to our oncology patients

Our doctors include oncologists, haematologists and a palliative medicine specialist. Through providing palliative care as part of a holistic cancer programme, we offer a strong support system to care for the psychosocial needs of our oncology patients and their families. The curative treatments rendered by our oncologists are complemented by the palliative medical team who provides our patients with relief from the symptoms, pain, and stress of a serious illness. Our palliative medical team works together with the rest of our doctors to provide an extra level of support and an integrated system of patient care so as to improve the quality of life for both the patient and the family. Such a continuum of healthcare services provides a more complete form of healthcare management and treatment for our oncology patients and ties in with our patient-centric philosophy. This also promotes long-term patient retention and enhances our reputation as a leading provider of medical oncology and haematology services in the private sector.

(3) Strategic alliance with PHS

Our Group has a strategic alliance with a credible partner with complementary strengths, PHS. Through the Consultancy Restatement Agreement between SCC and PHS, our Group is able to utilise the infrastructure and network provided by PHS to expand its existing services and reach greater heights in patient care and support. For example, under the Consultancy Restatement Agreement, PHS will refer all its cancer and suspected cancer cases to PCC. To this end, SCC, in collaboration with PHS and through the PCC vehicle, has entered into various letters of collaboration with various service partners in several Asian countries, such as Phnom Penh in Cambodia and Dhaka in Bangladesh, to set up the regional CanHOPE offices to provide cancer counselling and support services for patients when they return home in between treatment sessions. These offices would also assist patients in making travel plans to seek treatment with PCC. The Group's objective is to tap on PHS' expertise, infrastructure and available contacts in order to broaden its patient base and visibility in the region.

(4) Experienced and proven management team

We have a management team of dedicated and qualified professionals with proven track records in the medical oncology healthcare sector. Our CEO, Dr Ang Peng Tiam, has over 30 years of experience in the field of medical oncology. Dr Ang is supported by the COO, Dr Khoo Kei Siong, who is also involved in the day-to-day running of our operations. Our management team has extensive industry experience and has been instrumental to our Group's success, allowing our Group to possess a strong track record in the medical oncology healthcare sector. Such medical knowhow and technical expertise of our management team allows our Group to streamline the basic goal of meeting our patients' needs with the intricacies of clinic operations and is critical to the continued success of our Group.

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(5) We are able to tap on the medical tourism sector in Singapore

Approximately 60% of our revenue is generated from foreign patients (based on customers' billing addresses). As one of the leading providers of medical oncology services in the high-end private sector, we are able to cater to foreign patients who are willing to pay for personalized healthcare services, the quality of which is commensurate with its cost. Our doctors regularly travel overseas to market the attractiveness of obtaining medical oncology services in Singapore to foreigners and accordingly, foreign patients seek the services of our doctors based on their reputation and experience. As the demand from regional countries for the provision of private medical oncology services increases, we believe that we are in a position to tap on this growth in demand as our doctors have the necessary experience to be cognizant of any differences in rendering treatment to foreign patients who, unlike local patients, may come from a different culture.

INDUSTRY OVERVIEW

Overview of the Global Healthcare Services Market

The following write-up is based on the observations and industry knowledge of our Executive Directors, drawing, where relevant, on sources believed by them to be accurate and relevant. Information from external sources, including various government publications and industry reports, have not been independently verified by our Company, the Sponsor or the Placement Agent, or any of our or their affiliates or advisers. This information may not be consistent with other information compiled within or outside Singapore.

Cancer Incidences – Globally

Cancer is one of the leading causes of death globally. The World Health Organisation (“WHO”) estimated that 7.6 million deaths were due to cancer in 2008, representing 13% of total deaths worldwide⁽¹⁾ and the number is expected to increase. The WHO estimates that the number of cancer deaths would reach 10.3 million in 2020 if no corrective actions were taken to address this.⁽²⁾ The WHO also estimates that the number of new cancer cases will increase from 10.9 million in 2002 to 16 million in 2020, representing an increase of nearly 50% in less than 20 years.⁽³⁾

Notes:

- (1) Source: The WHO and available at the website <http://www.who.int/features/factfiles/cancer/en/index.html>. The WHO has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (2) Source: The WHO and available at the website <http://www.who.int/cancer/media/en/GlobalActionCancerEnglfull.pdf>. The WHO has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (3) *Ibid.*

GENERAL INFORMATION ON OUR GROUP

Cancer Incidences – Asia

In 2002, 4.2 million new cancer cases – 39% of new cases worldwide – were diagnosed among 3.2 billion persons (48% of the then world population) living in the 15 most highly developed countries in South, East, and Southeast Asia: Japan, Taiwan, Singapore, South Korea, Malaysia, Thailand, China, Philippines, Sri Lanka, Vietnam, Indonesia, Mongolia, India, Laos, and Cambodia.⁽¹⁾

While incidence and mortality rates for most cancers (including lung, colorectum, female breast, and prostate) are decreasing in the United States and many other western countries, they are increasing in several less developed and economically transitioning countries due to the adoption of unhealthy lifestyles such as smoking, physical inactivity and consumption of calorie-dense food.⁽²⁾ The proportion of new cancer cases diagnosed in less developed countries is projected to increase from about 56% of the world total in 2008 to more than 60% in 2030 because of the increasing trends in cancer rates and expected increases in life expectancy and growth of the population.⁽³⁾

Cancer Incidences – Singapore

Cancer has been the leading cause of death in Singapore since 2006.⁽⁴⁾ A total number of 54,001 incident cancer cases were diagnosed among the resident population during the period 2007-2011.⁽⁵⁾ The incidence (number and rates) of cancer for the period from 2007 to 2011 has increased compared to the incidence reported by the National Registry of Diseases Office for the

Notes:

- (1) Source: Pfizer, Inc. and available at the website http://www.pfizer.com/files/products/cancer_in_asia.pdf. Pfizer, Inc. has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (2) *Ibid.*
- (3) *Ibid.*
- (4) The MOH, and available at the website http://www.moh.gov.sg/content/moh_web/home/statistics/Health_Facts_Singapore/Principal_Causes_of_Death.html. The MOH has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (5) Singapore Cancer Registry, Interim Annual Registry Report, Trends in Cancer Incidence in Singapore, 2007-2011, National Registry of Diseases Office and available at the website http://hpb.gov.sg/HOPPortal/content/conn/HOPUCM/path/Contribution%20Folders/uploadedFiles/HPB_Online/Publications/Cancer_Trends_Report_07-11_for_website_v2.pdf. The National Registry of Diseases Office has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor, and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

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period from 2006 to 2010 though the composition and order of top ranked cancers have remained the same.⁽¹⁾ Of all the deaths in Singapore in 2011, cancer was recorded as the primary cause in 30%.⁽²⁾ Roughly speaking, one in three individuals will die from cancer.

The provision of Medical Oncology Services in Singapore

The general healthcare delivery system can be divided into the public sector and the private sector.

Under the public healthcare delivery system, healthcare services are provided with substantial subsidies in operating and capital expenses by the Government. These services include primary care (polyclinics), tertiary care (hospitals) as well as intermediate and long term care (community hospitals and nursing homes).

Under the private healthcare delivery system, healthcare services are provided by both for-profit and non-profit providers, through healthcare facilities owned by individuals with a view to profit, clinics and hospitals owned by private employers and those operated by religious organisations and other non-governmental organisations. Private healthcare services are funded directly by the patients themselves or through private insurance plans.

Singapore enjoys a high standard of care for cancer. There are 90 trained medical oncologists and 43 radiation oncologists in Singapore.⁽³⁾ There are state-of-the-art radiotherapy facilities capable of delivering precision radiation treatment using techniques such as tomotherapy, IMRT and 3D conformal radiotherapy. Ready access to drugs and chemotherapy ensures that patients are able to receive the latest the industry has to offer.

Notes:

- (1) Singapore Cancer Registry, Interim Annual Registry Report, Trends in Cancer Incidence in Singapore, 2007-2011, National Registry of Diseases Office and available at the website http://hpb.gov.sg/HOPPortal/content/conn/HOPUCM/path/Contribution%20Folders/uploadedFiles/HPB_Online/Publications/Cancer_Trends_Report_07-11_for_website_v2.pdf. The National Registry of Diseases Office has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor, and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.
- (2) Source: MOH and available on the website http://www.moh.gov.sg/content/moh_web/home/statistics/Health_Facts_Singapore/Principal_Causes_of_Death.html. The MOH has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.
- (3) Source: The SMC and available at the website <http://www.smc.gov.sg/PRSCPDS/scripts/profSearch/profframe.jsp>. The SMC has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.

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There are three providers of medical oncology services in the public sector, namely the National Cancer Centre Singapore (“**NCCS**”), the National University Cancer Institute, Singapore (“**NCIS**”), and Tan Tock Seng Hospital (“**TTSH**”). NCCS, being the largest of the three, sees about 70% of all public sector patients in Singapore.⁽¹⁾ Both NCCS and NCIS have expertise in a broad range of sub-specialties and are engaged in clinical and laboratory research. They also have dedicated departments or units that provide various support services such as palliative care, psychosocial intervention, patient support groups and rehabilitation etc.

Medical oncology services in the private sector are largely provided by individual oncologists in solo practice or small group practices. Patients are often referred from other specialists or through individual marketing effort. One of the limitations of such practices is the lack of economy of scale to provide additional support services to patients. These services include palliative care, psychosocial support by trained counsellors, nutritional care by nutritionists and the provision of interpreters for foreign patients. As the practice of oncology becomes more complex, it is also increasingly challenging for a solo practitioner to have in-depth knowledge and the experience of managing patients of all cancer types. Consolidation of solo practices into integrated group practices with a variety of subspecialty interest and expertise has become the trend in the past few years.

A total number of 56,316 incident cancer cases were diagnosed among the resident population in Singapore during the period from 2008 to 2012.⁽²⁾ The business of providing medical care for cancer patients has grown. Besides the increase in the number of cancer patients, there is a great deal more that can be offered to improve the lives of cancer patients. As a whole, cancer patients in the present day enjoy a better quality-of-life, improved outcomes in terms of disease control and prolongation of life. This has been made possible largely because of vast improvements in the pharmaceuticals. While there were but a handful of effective drugs in 1980s, the number of approved oncology drugs has increased significantly in the recent years. This has led to more and better treatment options for cancer patients. While we have seen only a modest improvement in the cure rates for cancer, the major difference in the practice of oncology has been the significant increase in the life span of cancer patients.

While only a minority of cancer patients are cured of the disease, the majority with the disease do live much longer. Many of the new drugs have resulted in better control of the disease, allowing patients to live longer. However, these patients often need prolonged maintenance treatment to keep their diseases at bay.

Notes:

- (1) National Cancer Centre and available at the website <http://www.nccs.com.sg/Newsroom/MediaReleases/2013MediaReleases/Pages/2013April26.aspx>. The National Cancer Centre has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (2) The Singapore Health Promotion Board and available at the website <http://www.hpb.gov.sg/HOPPortal/programmes-article/3672>. The Singapore Health Promotion Board has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

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The Singapore Government takes an active role in increasing public awareness of the benefit of early detection of cancer. As part of the Integrated Screening Programme (“ISP”), a nationwide screening programme for common chronic disease, Singapore citizens and permanent residents 40 years and older are invited to go for screening of colorectal cancer, breast cancer and cervical cancer.⁽¹⁾ For example, BreastScreen Singapore (“BSS”) is the national breast cancer screening programme which encourages women aged 50 years and older to go for screening mammograms once every two years.⁽²⁾ The aim is to detect breast cancer early, allowing for more effective treatment and a reduction in the mortality rate.

THE PROVISION OF MEDICAL ONCOLOGY SERVICES GLOBALLY

Prospects for the provision of Medical Oncology Services globally

Cancer is a leading cause of death worldwide and the total number of cases globally is increasing. In most developed countries, cancer is the second largest cause of death after cardiovascular disease, and epidemiological evidence points to this trend emerging in the less developed world.⁽³⁾

The practice of medical oncology has been transformed in the past 20 years with the explosion of new drugs against a wide range of cancers. Advances in the understanding of the biology of cancer have resulted in drugs and therapeutics that are rationally designed and more targeted. The advent of targeted therapies further improves the survival outcome of major cancers (breast, lung, colon) and has resulted in effective treatment for some less common tumours. Many of these drugs also have lesser or none of the side effects commonly associated with conventional chemotherapy. For example, Herceptin, a humanized monoclonal antibody that targets the HER2 receptors, significantly improves rate of response and prolongs survival in advanced and early-stage breast cancers that have large quantities of HER2 receptors. HER2-positive breast cancers make up of 20% of all occurrences of breast cancers.

Notes:

- (1) The Singapore Health Promotion Board and available at the website <http://www.hpb.gov.sg/HOPPortal/programmes-article/3672>. The Singapore Health Promotion Board has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (2) The Singapore Health Promotion Board and available at the website <http://www.hpb.gov.sg/HOPPortal/programmes-article/3324>. The Singapore Health Promotion Board has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (3) Source: World Health Organisation, “Are the number of cancer cases increasing or decreasing in the world?”, 1 April 2008 and available from the website at <http://www.who.int/features/qa/15/en/index.html>. World Health Organisation. has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

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It is expected that ongoing R&D will continue to produce a steady pipeline of new therapies in the next decade. These therapies open up new and additional options for cancer patients and are keeping them alive longer. The indication and scope of medical therapies for cancer patients is thus expected to grow. Other factors that have changed the practice of oncology include the increasing use of oral agents. Another major advancement is the use of molecular characterization to select patients who are most likely to respond to a specific treatment. This helps to minimize over or under treatment.

The global oncology drugs industry experienced significant growth during the past five years and is expected to continue that momentum to reach an estimated US\$100.6 billion in 2018.⁽¹⁾ A combination of factors such as technology innovations, medical insurance coverage, aging population, and changing lifestyles are seen to affect market dynamics significantly.⁽²⁾ The industry has seen a number of recent changes including growing competition, rise in merger and acquisition activities, increased cancer health insurance coverage, and an increasing amount of foreign direct investment.⁽³⁾ All of these factors lead to an increase in demand for medical oncology services.

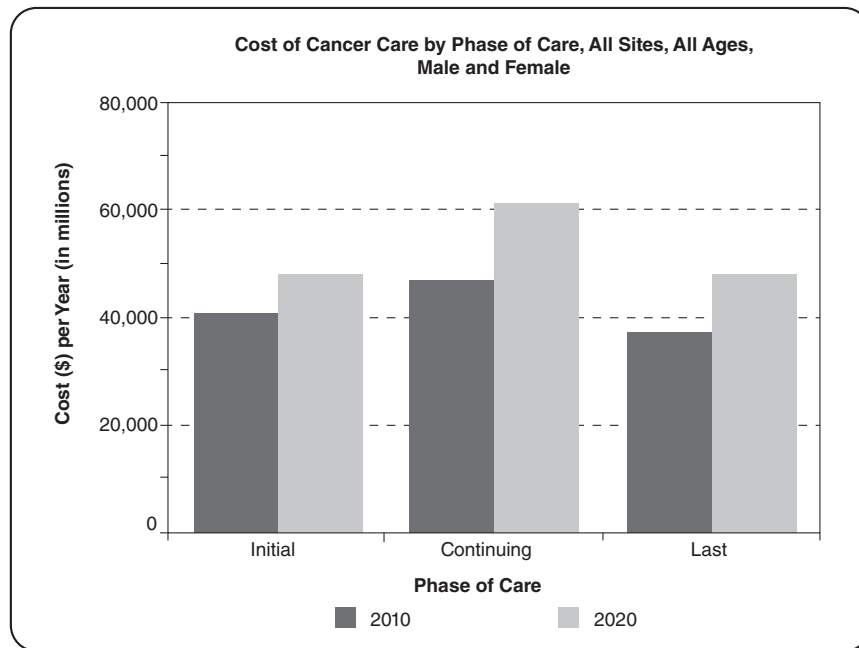
As the new, more advanced treatments are adopted as standards of care, the financial costs of cancer care over the last 20 years has increased exponentially. Research from the National Cancer Institute estimates the national direct cost of cancer at S\$124.6 billion annually.⁽⁴⁾ In 2010, treatment costs reached S\$16.5 billion for breast cancer, S\$14.1 billion for colorectal cancer and S\$12.1 billion for lung cancer.⁽⁵⁾ The cost of cancer is expected to rise and is projected to reach at least S\$158 billion in the year 2020.⁽⁶⁾

Notes:

- (1) Source: PRWeb, "Lucintel Report Outlines \$100 Billion Market for Global Oncology Drugs Industry in 2018", 15 April 2013 and available from the website at <http://www.prweb.com/releases/2013/4/prweb10627682.htm>. PRWeb has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.
- (2) *Ibid.*
- (3) *Ibid.*
- (4) National Cancer Institute and available at the website <http://www.cancer.gov/aboutnci/servingpeople/cancer-statistics/costofcancer>. The National Cancer Institute. has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.
- (5) *Ibid.*
- (6) *Ibid.*

GENERAL INFORMATION ON OUR GROUP

The following graph projects the increase in the cost of cancer care between 2010 and 2020:⁽¹⁾



Medical Tourism

Introduction

The free movement of goods and services under the auspices of the World Trade Organisation and its General Agreement on Trade in Services has accelerated the liberalisation of the trade in health services, as have developments with regard to the use of regional and bi-lateral trade agreements. The key features of medical tourism are summarised below:⁽²⁾

- the large number of people travelling for treatment;
- the shift towards patients from richer, more developed nations travelling to less developed countries to access health services, largely driven by low-cost treatments and helped by cheap flights and internet sources of information;

Notes:

- (1) National Cancer Institute and available at the website <http://costprojections.cancer.gov/>. The National Cancer Institute has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (2) Organisation for Economic Co-operation and Development Report, Medical Tourism: Treatments, Markets and Health System Implications: A scoping review, Neil Lunt, Richard Smith, Mark Exworthy, Stephen T. Green, Daniel Horsfall and Russel Mannion. The Organisation for Economic Co-operation and Development and the authors have not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and are thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

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- ‘New’ enabling infrastructure – affordable, accessible travel and readily available information over the internet; and
- Industry development: both the private business sector and national governments in both developed and developing nations have been instrumental in promoting medical tourism as a potentially lucrative source of foreign revenue.

The global medical tourism industry catered to over three million patients in 2011 and is growing at a rate of 20% to 30% annually.

Singapore as a medical hub

Singapore has marketed itself as a centre for biomedical and biotechnological activities from 2001 through a government-supported network of established and emerging facilities and organisations. High-end medical tourism is part of this development. Since 2003, SingaporeMedicine has been a multi-agency government-industry partnership aiming to promote Singapore as a medical hub and a destination for advanced patient care. It is led by the MOH and has the support of the Development Board, International Enterprise Singapore and the Singapore Tourism Board.⁽¹⁾

Singapore positions itself as a quality healthcare services provider. More than 13 hospitals and medical centres in Singapore have obtained Joint Commission International (JCI) accreditation, assuring patients of the standard of healthcare services available in Singapore. The JCI is the United States’ main hospital accreditation agency. Singapore was listed as one of the Top 10 Medical Travel Destinations by International Living website in 2010.⁽²⁾ Singapore is recognised for its medical excellence and increasingly, affluent patients from around the region have come to seek a wide spectrum of healthcare treatments including in the fields of medical oncology and haematology services.

In 2009, the number of medical tourists waned due to the global financial crisis but went on the rise in 2011. According to statistics from the MOH and the Singapore Tourism Board, a total of 35,959 medical tourists visited Singapore in 2011 and spent almost S\$1 billion (approximately US\$806.9 million), an increase over the two previous years. Indonesians accounted for 47.2% of these tourists, with Malaysians a distant second at 11.5%, followed by Bangladeshis (5.0%), Vietnamese (4.1%) and Myanmar nationals (2.7%). With economic growth in Bangladesh, Vietnam and Myanmar, some people are able to afford better care – but there is generally a lag

Notes:

- (1) Organisation for Economic Co-operation and Development Report, Medical Tourism: Treatments, Markets and Health System Implications: A scoping review, Neil Lunt, Richard Smith, Mark Exworthy, Stephen T. Green, Daniel Horsfall and Russel Mannion. The Organisation for Economic Co-operation and Development and the authors have not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and are thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (2) SingaporeMedicine, available at http://www.singaporemedicine.com/healthcaredest/accolades_acred.asp. SingaporeMedicine and International Living have not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and are thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

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in the development of healthcare, so they seek what they perceive as state-of-the-art quality care that they cannot get in their home countries, elsewhere.⁽¹⁾ The majority of medical tourists opt for treatment at private hospitals, where procedures can be less costly as foreigners are not subsidised at public ones.⁽²⁾ About 70% of foreign patients turn to private hospitals for treatment, with 30% being treated in public hospitals.⁽³⁾ The majority of foreign patients come to Singapore for general surgery and general medicine. In terms of specialised areas, eye and cancer treatments, instead of gynaecology and cardiology which were popular a decade back, are sought by the foreign patients.⁽⁴⁾

Singapore's reputation as a regional medical hub augurs well for our Group. Our number of patient visits has been maintained at approximately 38,000 (per annum) over the past three years from 2010 to 2012. Our Group continues to attract some of the leading oncologists and doctors who want to practice in the private sector. By providing an excellent infrastructure, a pleasant and collegial environment, and a reasonable remuneration package, we have been able to attract and retain such leading practitioners in the field to join us. As more overseas patients seek medical treatment in Singapore, our pool of doctors are poised to tap on this demand and we expect to benefit from the increase in demand for such healthcare services. In addition, we intend to focus on organic growth over the next few years and build up our panel of experienced consultants.

Notes:

- (1) The Straits Times, "Foreign patients coming back to Singapore", Salma Kahlik, 23 February 2013 and available at the website <http://yourhealth.asiaone.com/content/foreign-patients-coming-back-spore/page/0/1>. The Straits Times has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.
- (2) TTG Asia, Asian patients drive Singapore's medical tourism recovery, 18 February 2013. TTG Asia has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.
- (3) The Straits Times, "Foreign patients coming back to Singapore", Salma Kahlik, 23 February 2013 and available at the website <http://yourhealth.asiaone.com/content/foreign-patients-coming-back-spore/page/0/1>. The Straits Times has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Offer Document.
- (4) *Ibid.*

GENERAL INFORMATION ON OUR GROUP

PROSPECTS

The following information is primarily based on the market knowledge of our Executive Directors.

Our Directors believe that save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “General Information on our Group – Prospects” of this Offer Document and barring any unforeseen circumstances, there are no other known trends, uncertainties, demands, commitments or events in the current financial year, that are reasonably likely to have a material and adverse effect on our revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

Prospects for the provision of Medical Oncology Services in Singapore

Cancer has been the leading cause of death in Singapore since 2006.⁽¹⁾ Singapore enjoys a high standard of care for cancer. There are 90 trained medical oncologists and 43 radiation oncologists in Singapore.⁽²⁾ There are state of the art radiotherapy facilities capable of delivering precision radiation treatment using techniques such as tomotherapy, IMRT and 3D conformal radiotherapy. Ready access to drugs and chemotherapy ensures that patients are able to receive the latest the industry has to offer.

Singapore is a regional medical hub and attracts overseas patients to undergo medical care. It is recognised for its medical excellence and increasingly affluent patients from around the region have come to seek a wide spectrum of healthcare treatments including in the fields of medical oncology and haematology services. Singapore’s reputation as a regional medical hub augurs well for our Group. Our number of patient visits has been maintained at approximately 38,000 (per annum) over the past three years from 2010 to 2012. Our Group continues to attract some of the leading oncologists and doctors who want to practice in the private sector. By providing an excellent infrastructure, a pleasant and collegial environment, and a reasonable remuneration package, we have been able to attract and retain such leading practitioners in the field to join us. As more overseas patients seek medical treatment in Singapore, our pool of doctors are poised to tap on this demand and we expect to benefit from the increase in demand for such healthcare services. In addition, we intend to focus on organic growth over the next few years and build up our panel of experienced consultants.

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- (1) The MOH, and available at the website http://www.moh.gov.sg/content/moh_web/home/statistics/Health_Facts_Singapore/Principal_Causes_of_Death.html. The MOH has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.
- (2) Source: The SMC and available at the website <http://www.smc.gov.sg/PRSCPDS/scripts/profSearch/profframe.jsp>. The SMC has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

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In general, the demand for the specialist medical oncology and haematology healthcare services provided by our Group may be affected by a slowdown in the global economy as both potential and existing patients may be more cautious about their healthcare expenditure.

Prospects for the provision of Medical Oncology Services globally

Cancer is a leading cause of death worldwide and the total number of cases globally is increasing.

As alluded to under the section on “Industry Overview”, the global oncology drugs industry experienced significant growth during the past five years and is expected to continue that momentum to reach an estimated US\$100.6 billion in 2018.⁽¹⁾ A combination of factors such as technological innovations, medical insurance coverage, aging population, and changing lifestyles are seen to affect market dynamics significantly.⁽²⁾ All of these factors lead to an increase in demand for the medical oncology services.

Based on the foregoing and our competitive strengths, our Directors are cautiously optimistic about the prospects of our Group. Save as disclosed above and under the “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” sections of this Offer Document, and barring any unforeseen circumstances, our Directors do not expect any significant recent trends in sales and inventory, and in the costs and selling prices of our healthcare and medical services, or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Document to not be indicative of our future operating results or financial conditions.

In FY2013, we expect an increase in expenses due to, among others, costs associated with the Listing that will have a negative impact on profitability.

Order book

Due to the nature of our business, the concept of an order book is not meaningful to us. Although our clinics maintain a register for advance patient appointments, these appointments are not legally binding and may be cancelled or postponed easily, and therefore do not constitute our orders on hand.

Notes:

(1) Source: PRWeb, “Lucintel Report Outlines \$100 Billion Market for Global Oncology Drugs Industry in 2018”, 15 April 2013 and available from the website at <http://www.prweb.com/releases/2013/4/prweb10627682.htm>. PRWeb has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

(2) *Ibid.*

GENERAL INFORMATION ON OUR GROUP

BUSINESS STRATEGIES AND FUTURE PLANS

We intend to implement the following business strategies and future plans to grow and expand our business:

(1) Expanding our talent pool

We always believe in attracting and retaining the best management and healthcare talent to provide the best care for our patients and retain and manage our patients. In this connection, we intend to employ more qualified medical consultants, surgeons and management staff who possess the requisite knowledge, experience and skills as well as share the same philosophy and vision in service and care. In particular, though we do not have a target talent pool size, we intend to earmark a portion of the proceeds raised from the Invitation to recruit experienced, competent and dedicated oncologists, who usually expect a significant sign-on bonus. Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for further details on a breakdown of the proceeds from the Invitation.

(2) Expanding our repertoire of healthcare services

Presently, we do not provide primary or secondary healthcare services and hospitals. Where the opportunity arises, we may expand our repertoire of healthcare services to include the provision of primary and secondary healthcare services so that our Group will become a full service provider, covering the entire value chain of the healthcare industry. Primary healthcare services is primarily outpatient care provided by general practitioners and/or specialists within hospital or clinic premises and includes general medical consultations, management of chronic conditions such as diabetes, hypertension and asthma, and minor surgical procedures. Secondary healthcare is a general and specialised inpatient and outpatient care in medical and surgical disciplines necessary for the majority of patients in specialist clinics, hospitals and medical centres that have special facilities for diagnostic, inpatient treatment and general surgeries.

(3) Overseas expansion

We believe that there are growth opportunities overseas for our Group and intend to set up medical oncology units overseas through acquisitions, joint ventures and strategic alliances as and when such business opportunities arise. We have, in collaboration with PHS and through the PCC vehicle, set up regional CanHOPE offices to provide cancer counselling and support services for patients when they return home in between and after treatment. These CanHOPE offices also assist new patients in making travel plans to seek consultation and treatment with PCC.

We will keep a look-out for opportunities to expand. We believe that enhanced operational integration and wider market reach offered by selective acquisitions will further strengthen our competitive position. In our overseas expansion, we also intend to focus on building the our brand name through establishing specialist cancer clinics as well as other state-of-the-art medical facilities in key cities and other penetrative markets. As at the Latest Practicable Date, we have not identified any suitable overseas targets, joint ventures or strategic partners.

GENERAL INFORMATION ON OUR GROUP

(4) Improving the quality of our medical services

Since our inception, our Group has always focused on providing personalised high-quality healthcare. Our medical consultants continuously update themselves on the latest medical knowledge and equipment and are always on the look-out for the pursuit of opportunities so as to capitalise on technological advancements and provide enhanced healthcare services for our patients. There is always a constant effort to streamline our personalised medical treatment in accordance with the latest scientific and practice guidelines. At the same time, we are mindful of the need to control the costs to the patients without compromising on the standard of care.

CORPORATE SOCIAL RESPONSIBILITY

As of the Latest Practicable 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 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 and medical journals to raise the relevant medical awareness in the public.

INTERESTED PERSON TRANSACTIONS

Transactions between our Group and any of its interested persons (namely, our Directors, CEO or Controlling Shareholders or the Associates of such Directors, CEO or Controlling Shareholders) are known as Interested Person Transactions (as defined in Chapter 9 of the Listing Manual). The following discussion on material interested person transactions for the past three financial years ended 31 December 2012 and the period from 1 January 2013 to the Latest Practicable Date (the “**Relevant Period**”) is based on our Group and interested persons as construed accordingly.

Save as disclosed below and in the section entitled “Restructuring Exercise” of this Offer Document, no Director, CEO, Controlling Shareholder or their respective Associates (referred to as “**Interested Person**”) was or is interested in any material transaction undertaken by our Group in the Relevant Period.

INTERESTED PERSONS

Interested Persons	Nature of Relationship
Dr Ang Peng Tiam	A Controlling Shareholder and the Executive Director of the Company and the CEO.
Dr Khoo Kei Siong	The Executive Director and COO of the Company.
PTAMS	Dr Ang Peng Tiam is holding 99.99% of the equity interest in PTAMS and is also a director of PTAMS.
AYSUS	Dr Khoo Kei Siong is holding 50% of the equity interest in AYUS and is also a director of AYUS.
Mr Lim Jen Howe	The Non-Executive Director of the Company.
Thong & Lim	Mr Lim Jen Howe is a 50% partner of Thong & Lim, which is a partnership.
Thong & Lim Consultants Private Limited (“ Thong & Lim Consultants ”)	Mr Lim Jen Howe is holding 49.5% of the equity interest in the company and is also a director of it.

PAST INTERESTED PERSON TRANSACTIONS

(i) Services provided by Thong & Lim to SCC

Since SCC’s incorporation in December 2004, Thong & Lim was appointed as SCC’s statutory auditors from 2004 till the end of FY2011.

The total fees payable to Thong & Lim for the services rendered by Thong & Lim as statutory auditors of SCC during the past three financial years ended 31 December 2012 and from 1 January 2013 up to the Latest Practicable Date were as follows:

	FY2010 S\$	FY2011 S\$	FY2012 S\$	1 January 2013 to Latest Practicable Date S\$
Service fees	3,000	4,000	–	–

Our Directors believe that the aforesaid transactions between our Group and Thong & Lim were based on normal commercial terms and on an arm’s length basis.

INTERESTED PERSON TRANSACTIONS

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

(i) Lease agreement for a clinic at 3 Mount Elizabeth, Mount Elizabeth Medical Centre #13-16/17, Singapore 228510

On 1 May 2013, a lease agreement (“**APT Lease Agreement**”) was entered into between SCC and Dr Ang Peng Tiam, pursuant to which clinic premises at 3 Mount Elizabeth, Mount Elizabeth Medical Centre #13-16/17, Singapore 228510, were leased from Dr Ang (as lessor) to SCC (as lessee) for a term of three years (from 1 May 2013 to 30 April 2016), at a rental of S\$16,836.72 per month. The term of the lease agreement is renewable for a further period of two years at the option of SCC.

The total rental paid to Dr Ang Peng Tiam during the past three financial years ended 31 December 2012 and from 1 January 2013 up to the Latest Practicable Date were as follows:

	FY2010	FY2011	FY2012	1 January 2013 to Latest Practicable Date
	S\$	S\$	S\$	S\$
Rental expense	202,041	202,041	202,041	202,041 ⁽¹⁾

Note:

(1) This includes the prepaid rental of S\$7,604 for the period from the Latest Practicable Date up to 31 December 2013.

The Directors are of the view that as the rental payable is not higher than the prevailing market rate, it is not prejudicial to the interests of our Group.

(ii) Novation of lease agreement for a clinic at #05-53/54/55 Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563

On 1 October 2013, a deed of novation (“**Deed A**”) was entered into between PTAMS, PCC and SCC, pursuant to which PCC novated all its rights and obligations under a lease agreement dated 26 June 2012 (“**Original Lease Agreement A**”) between PTAMS (as lessor) and PCC (as lessee) with reference to a clinic (at #05-53/54/55 Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563) to SCC, as if SCC were named in the Original Lease Agreement A as the party therein in place of PCC. No consideration was paid by SCC to PCC or PTAMS in accordance with the Deed A.

Following the aforesaid novation arrangement, for a term of nine months (from 1 October 2013 to 30 June 2014), SCC (as lessee) will pay PTAMS (as lessor) a rental of S\$15,200 per month. The term of the lease is renewable for a further period of two years at the option of SCC.

The Directors are of the view that as the rental payable is not higher than the prevailing market rate, it is not prejudicial to the interests of our Group.

(iii) Novation of lease agreement for a clinic at #05-52 Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563

On 1 October 2013, a deed of novation (“**Deed B**”) was entered into between AYSUS, PCC and SCC, pursuant to which PCC novated all its rights and obligations under a lease agreement dated 26 June 2012 (“**Original Lease Agreement B**”) between AYSUS (as lessor) and PCC (as lessee)

INTERESTED PERSON TRANSACTIONS

with reference to a clinic (at #05-52 Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, Singapore 329563) to SCC, as if SCC were named in the Original Lease Agreement B as the party therein in place of PCC. No consideration was paid by SCC to AYSUS or PCC in accordance with the Deed B.

Following the aforesaid novation arrangement, for a term of nine months (from 1 October 2013 to 30 June 2014), SCC (as lessee) will pay AYSUS (as lessor) a rental of S\$4,100 per month. The term of the lease is renewable for a further period of two years at the option of SCC.

The Directors are of the view that as the rental rate is not higher than the prevailing market rate, it is not prejudicial to the interests of our Group.

(iv) Services provided by Thong & Lim Consultants to SCC

Since SCC's incorporation in December 2004, Thong & Lim Consultants has been providing book-keeping, payroll, tax-compliance and related services to SCC.

The total fees payable to Thong & Lim Consultants for the aforesaid services rendered during the past three financial years ended 31 December 2012 and from 1 January 2013 up to the Latest Practicable Date were as follows:

	FY2010	FY2011	FY2012	1 January 2013 to Latest Practicable Date
	S\$	S\$	S\$	S\$
Service fees	23,950	29,750	29,800	47,300

Our Directors believe that the aforesaid transactions between our Group and Thong & Lim Consultants are based on normal commercial terms and on an arm's length basis.

For the avoidance of doubt, it is confirmed that Thong & Lim Consultants will cease to provide these services to SCC at the end of FY2013.

OTHER TRANSACTIONS

For the purposes of full disclosure to investors, the following transactions which do not fall within the ambit of the definition of an "Interested Person Transaction" (as defined in Chapter 9 of the Listing Manual) have been set out below.

(i) Services provided by Stemcord Pte Ltd to PCC

Stemcord Pte Ltd is 17.4% owned by Dr Ang Peng Tiam and 35.7% owned by Dr Teo Cheng Peng. Dr Ang Peng Tiam and Dr Teo Cheng Peng are also directors of Stemcord Pte Ltd. Stemcord Pte Ltd is a service provider supporting PCC's transplant programme – it would collect, process and store bone marrows and stem cells harvested from PCC's patients/donors. When the patients are ready for transplant, Stemcord Pte Ltd would deliver the processed bone marrows and stem cells to be transplanted to patients by the doctors employed by SCC.

INTERESTED PERSON TRANSACTIONS

The total amount paid by PCC to Stemcord Pte Ltd for the services provided by Stemcord Pte Ltd to PCC for the past three financial years ended 31 December 2012 and from 1 January 2013 up to the Latest Practicable Date were as follows:

	FY2010	FY2011	FY2012	1 January 2013 to Latest Practicable Date
	S\$	S\$	S\$	S\$
Service fee	12,337	18,516	20,116	47,294

As the fee payable by PCC to Stemcord Pte Ltd is not higher than the prevailing market rate, it is not prejudicial to the interests of PCC or our Group.

(ii) Lease agreement for a clinic at #14-14, Mount Elizabeth Medical Centre, 3 Mount Elizabeth, Singapore 228510

Dr Lim Hong Liang is one of the Specialist Doctors.

On 1 October 2013, a sub-lease agreement (“**Sub-lease Agreement**”) was entered into between Dr Lim and SCC, pursuant to which Dr Lim sub-leased a clinic (at #14-14, Mount Elizabeth Medical Centre, 3 Mount Elizabeth, Singapore 228510) to SCC for a term of two years (from 1 November 2012 to 31 October 2014), at a rental of S\$7,000 per month.

The total rental paid to Dr Lim Hong Liang during the past three financial years ended 31 December 2012 and from 1 January 2013 up to the Latest Practicable Date were as follows:

	FY2010	FY2011	FY2012	1 January 2013 to Latest Practicable Date
	S\$	S\$	S\$	S\$
Rental expense	—	—	14,000	84,000 ⁽¹⁾

Note:

(1) This includes the prepaid rental of S\$3,161 for the period from the Latest Practicable Date up to 31 December 2013.

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review all future interested person transactions to ensure that they are carried out on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interests of our Company and our minority Shareholders. They will adopt the following procedures when reviewing such interested person transactions:

- (i) When purchasing items from or engaging the services of an interested person, two other quotations from non-interested persons will be obtained (where available) for comparison to ensure that the interests of minority Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the price or fee of the two other quotations from non-interested persons, taking into account pertinent factors, including but not limited to quality, delivery time and track record;

INTERESTED PERSON TRANSACTIONS

- (ii) When selling items or supplying services to an interested person, the price and terms of other successful sales of a similar nature to non-interested persons will be used in comparison to ensure that the interests of minority Shareholders are not disadvantaged. The sale price or fee for the supply of services shall not be lower than the lowest sale or fee of the two other successful transactions with non-interested persons; and
- (iii) When renting properties from or to an interested person, our Directors shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar properties in terms of size and location, based on the results of the relevant inquiries.

Transactions falling within the above categories, if any, will be reviewed at least quarterly by our Audit Committee to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by our Audit Committee. Our Audit Committee may request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers as they deem fit. In the event that a member of the Audit Committee is interested in any interested person transaction, he will abstain from reviewing that particular transaction.

In addition, we shall monitor all interested person transactions entered into by us categorising the transactions as follows:

- (a) a “category one” interested person transaction is one where the value thereof is equal to or in excess of three per cent. of the NTA of our Group based on the latest audited accounts; and
- (b) a “category two” interested person transaction is one where the value thereof is below three per cent. of the NTA of our Group based on the latest audited accounts.

“Category one” interested person transactions must be approved by our Audit Committee prior to entry.

“Category two” interested person transactions need not be approved by our Audit Committee prior to entry but shall be reviewed on a quarterly basis by our Audit Committee.

In addition, our Board of Directors will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.

Our Audit Committee shall review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between us and interested persons are conducted on normal commercial terms.

Our Audit Committee is of the view that the methods and procedures for determining transaction prices, as set out above, are sufficient to ensure that our Group’s transactions with interested persons are on normal commercial terms which will not be prejudicial to the interests of our Company and our minority Shareholders.

POTENTIAL CONFLICTS OF INTEREST

INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

Given that each of HCC, MedInc, MOS and PTAMS (each of them is controlled by Dr Ang and Dr Khoo either jointly or severally) has since ceased its clinical operations, we are of the view that there are no conflicts of interest between the Group and each of HCC, MedInc, MOS and PTAMS.

Please refer to “General Information on our Group – History and Development of Our Group” section of this Offer Document for details on HCC, MedInc, MOS and PTAMS. Please also refer to “Interested Person Transactions” section of this Offer Document for further information on PTAMS and AYSUS.

Save as disclosed above and under the sections entitled “Restructuring Exercise” and “Interested Person Transactions” of this Offer Document, during the Relevant Period:

- (a) none of our Directors, Controlling Shareholders or their respective Associates has any interest, direct or indirect, in any material transactions to which our Company or our subsidiary was or is a party;
- (b) none of our Directors, Controlling Shareholders or their respective Associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar product/services as our Group; and
- (c) none of our Directors, Controlling Shareholders or their respective Associates has any interest, direct or indirect, in any enterprise or company that is our Group’s customer or supplier of goods or services.

NON-COMPETE UNDERTAKINGS GIVEN BY THE EXECUTIVE DIRECTORS

Each of our Executive Directors, namely Dr Ang Peng Tiam and Dr Khoo Kei Siong, has, in addition to the non-compete undertakings given in their service agreements, also entered into separate deeds of undertaking not to compete with the Group for the period during which each remains a Director and/or Executive Officer of the Group, as the case may be, and six months after termination of his employment with the Group. The obligations under the respective undertakings are identical, and will run concurrently, with the undertakings given in their respective service contracts.

INTERESTS OF THE SPONSOR AND THE PLACEMENT AGENT

In the reasonable opinion of our Directors, the Sponsor, Hong Leong Finance, does not have any material relationships with our Company save as disclosed below and in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document:

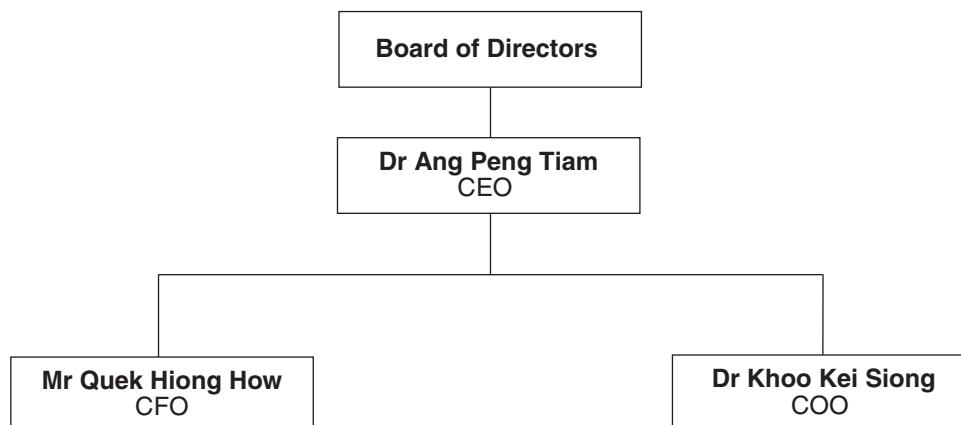
- (a) Hong Leong Finance is the Sponsor of the Invitation; and
- (b) Hong Leong Finance will be the continuing sponsor of our Company for an initial period of three years from the date our Company is admitted and listed on Catalist.

In the reasonable opinion of our Directors, the Placement Agent, UOBKH, does not have any material relationships with our Company save as being the Placement Agent of the Invitation and disclosed in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out below:



DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group, each responsible for different functions. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Address	Designation
Mr Chandra Das s/o Rajagopal Sitaram	74	28 Cassia Drive Singapore 289721	Non-Executive Chairman and Independent Director
Dr Ang Peng Tiam	55	22 Lady Hill Road Singapore 258687	Executive Director and CEO
Dr Khoo Kei Siong	51	68 Trevoe Crescent #02-08 Trevoe Park Singapore 298069	Executive Director and COO
Mr Sitoh Yih Pin	50	2 Siglap Hill Singapore 456098	Independent Director
Mr Dan Yock Hian	47	38, Chay Yan Street #31-06 The Regency @ Tiong Bahru Singapore 169907	Independent Director
Mr Lim Jen Howe	60	22 Woollerton Park #08-28 Singapore 257526	Non-Executive Director
Mr Lim Teong Jin George	57	8 Kensington Park Drive #08-04 Singapore 557323	Non-Executive Director

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Mr Chandra Das s/o Rajagopal Sitaram is our Non-Executive Chairman and Independent Director and he was appointed to our Board on 23 December 2013. Mr Chandra Das has been the managing director of NUR Investment & Trading Pte. Ltd., a company engaged in trading and investment activities in India, Singapore and Myanmar since 1986. He also served as the Chairman of an investment company, Southern Africa Investments Pte. Ltd., a subsidiary of Temasek Holdings (Private) Limited, from 1997 to 2011. From 1997 to 2006, Mr Chandra Das was a Director with CIES Food Forum (Paris), an association of food retailers. Prior to that, Mr Chandra Das served as the Chairman of the then Singapore Trade Development Board (now known as International Enterprise Singapore), which is a Singapore governmental agency tasked with driving Singapore's external economy, from 1983 to 1986. He was also the Managing Director of Intraco Limited, an integrated solutions trading company listed on the Main Board of the SGX-ST, from 1976 to 1986. From 1980 to 1996, Mr Chandra Das also served as a Member of the Parliament in Singapore. Between 1970 to 1971, Mr Chandra Das was the Singapore Trade Representative to the then Union of Soviet Socialist Republics (USSR).

Mr Chandra Das 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 attending the former Singapore Teachers' Training College from 1958 to 1960. Mr Chandra Das was the Chairman of the Government Parliamentary Committee (Defence & Foreign Affairs) from 1985 to 1990 and was also the Chairman of the Government Parliamentary Committee (Finance, Trade and Industry) from 1990 to 1991. Mr Chandra 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 is our Executive Director and CEO and he was appointed to our Board on 10 September 2013. Dr Ang provides the vision and the strategic direction for our Group. Dr Ang is currently Medical Director and Senior Consultant at Mount Elizabeth Hospital. In addition, he is also a medical director of PCC, where he provides the clinical and operational leadership in the provision of care and treatment to cancer patients in PCC. From 1994 to 1997, Dr Ang was Senior Consultant and Head of Department in medical oncology at Singapore General Hospital, Singapore's oldest and largest tertiary acute hospital and national referral center, as well as an Assistant Professor of Medicine. From 1991 to 1994, he was consultant and head of department at Singapore General Hospital as well. Prior to this, he was senior registrar for a year at Singapore General Hospital and resident registrar from 1986 to 1987. In between his stints as registrar in Singapore General Hospital, he was a fellow at the University Department of Oncology at the University of Texas, MD Anderson Cancer Centre at Houston, Texas from 1988 to 1989 and at the Division of Oncology at Stanford University in Palo Alto, California from 1989 to 1990. Dr Ang started his career as Medical Officer 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 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 accredited by the MOH, Republic of Singapore, Specialists Accreditation Board. Dr Ang holds fellowship in many institutions. He is a fellow of the Academy of Medicine, Singapore, the Academy of Medicine, United States of America, the Royal College of Physicians, Edinburgh (UK) and the Royal College of Physicians, London (UK). In addition, he is also a member of the Royal College of Physicians.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

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 at PCC. He is currently a Director of SCC and is one of its founders as well. From 1999 to 2002, Dr Khoo was Director of the Division of Clinical Trials and Epidemiological Sciences at the National Cancer Centre, one of the leading regional centres for the research and treatment of cancer. From 2001 to 2004, Dr Khoo was Head of the Department of Medical Oncology at the National Cancer Centre. Dr Khoo was also the Senior Consultant at the National Cancer Centre from 1999 to 2004. He started his career as consultant in Singapore General Hospital from 1989 to 1997, in the Medical Oncology and Clinical departments.

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 accredited by the MOH, Republic of Singapore, Specialists Accreditation Board. Dr Khoo holds memberships and fellowships in many institutions as well. He is a fellow of the Academy of Medicine, Singapore, the Royal College of Physicians (Edin) and a member of the Royal College of Physicians (UK), the American Society of Clinical Oncology, the European Society of Medical Oncology and the Singapore Society of Oncology. In addition, he is a Council Member of the Asian Clinical Oncology Society and both a Council Member and Bursar 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 is our Independent Director and was appointed to our Board on 23 December 2013. Mr Sitoh is a Chartered Accountant and is currently the Chairman of Nexia TS Public Accounting Corporation, an accounting firm in Singapore. Prior to that, he worked as an Audit Manager at KPMG. Mr Sitoh currently serves as a Member of Parliament of Potong Pasir Constituency, the Chairman of Potong Pasir Town Council and as the Advisor to the Potong Pasir Grassroots Organisations. He is also currently a Management Committee Member of the Singapore Turf Club.

Mr Sitoh graduated from the National University of Singapore with a Bachelor of Accountancy (Honours) in 1987. He is also a fellow member of both the Institute of Chartered Accountants in Australia and the Institute of Singapore Chartered Accountants.

Mr Dan Yock Hian is our Independent Director and was appointed to our Board on 23 December 2013. Mr Dan Yock Hian 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 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 from the National University of Singapore and two professional qualifications, namely, Chartered Accountant (Australia) accredited by Institute of Chartered Accountants of Australia and Chartered Accountant of Singapore, accredited by Institute of Singapore Chartered Accountants. In addition, he has been a Council Member of HCA Hospice Care since August 2013.

Mr Lim Jen Howe is our Non-Executive Director and was appointed to our Board on 23 December 2013. Mr Lim is a Partner of Thong & Lim, Chartered Accountants of Singapore and is practising as a Public Accountant. Prior to joining Thong & Lim as Partner in 1988, he was a director of

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Chungco Private Limited involved in finance and management for the company and its related Singapore companies. From 1982 to 1984, Mr Lim was a Senior Lecturer at the National University of Singapore, School of Accountancy. Mr Lim worked in London for a period of time, starting his career training to be a member of the Institute of Chartered Accountants in England and Wales from 1972 to 1976 and continuing in 1977 as a qualified accountant working in audit and assurance with Spicer & Pegler, Chartered Accountants. After that, he worked as a banker in Bankers Trust International, London from 1979 to 1981 before returning to Singapore.

Mr Lim holds a Master of Science from London Business School, and two professional qualifications, namely Fellow of the Institute of Chartered Accountants in England and Wales and member of the Institute of Chartered Accountants of Singapore. Since 2008, he has been on the Board of Governors of the Anglo-Chinese Schools. He was also on the Board of Governors from 1992 to 2000. From 1993 to 2010, he sat on the Board of Management of Anglo-Chinese School (Independent). Mr Lim was also a member of the Ethics Committee of the Public Accountants Board Singapore from 2002 to 2004 and a member of the Complaints and Disciplinary Panel of ACRA from 2004 to 2010.

Mr Lim Teong Jin George is our Non-Executive Director and was appointed to our Board on 23 December 2013. 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.

Save as disclosed in the “Shareholders” section of this Offer Document, none of our Directors are related to each other or to any of our Executive Officers or Substantial Shareholders.

Our Directors who do not have experience on the board of directors of companies listed on the Official List of the SGX-ST, have attended a program organised by the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a listed company on the SGX-ST.

None of our Independent Directors sits on the board of any of our subsidiary or associated companies.

The list of past and present directorships of our Directors over the last five years up to the Latest Practicable Date and excluding those held in our Company is set out below.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name	Present Directorships	Past Directorships
Mr Chandra Das s/o Rajagopal Sitaram	<i>Group Companies</i>	<i>Group Companies</i>
	NIL	NIL
	<i>Other Companies</i>	<i>Other Companies</i>
	<ul style="list-style-type: none"> – Action Information Management Pte Ltd – Alliance Select Foods International Inc – Arrow Asia Opportunity Fund Ltd – Ascott Residence Trust Management Limited – Embassy Property Developments Limited – Gateway Management Company Pte. Ltd. – Global Money Remittance Pte Ltd – Goodhope Asia Holdings Ltd – Myanmar Singapore Plantation Limited – NUR Investment & Trading Pte Ltd – Super Group Ltd – Tamil Murasu Ltd – Yeo Hiap Seng Ltd – YHS (Singapore) Pte Ltd 	<ul style="list-style-type: none"> – CapitaMall Trust Management Ltd – Cougar Logistics Corporation Ltd – IFoundry Systems Singapore Pte Ltd – Myanmar Plantation Singapore Pte Limited – NERA Telecommunications Ltd – NM Rothschild & Sons (Singapore) Ltd – Polsin Pte Ltd – Prime Africa Investment (Pte) Ltd – Si2i Ltd (Formerly known as Spice i2i Limited) – Sincere Watch Limited – Southern Africa Investments Pte Ltd – The Ascott Group Limited – TMall Ltd (formerly known as Tampines Mall Ltd) – UON Singapore Pte Ltd
Dr Ang Peng Tiam	<i>Group Companies</i>	<i>Group Companies</i>
	<ul style="list-style-type: none"> – Singapore Cancer Centre Pte. Ltd. 	NIL
	<i>Other Companies</i>	<i>Other Companies</i>
	<ul style="list-style-type: none"> – P.T. Ang Medical Services Pte Ltd – Haematology and Cancer Centre Pte. Ltd. – Oldham Enterprise Pte Ltd – Stemcord Pte Ltd – MedInc Pte Ltd – Anglo-Chinese School (International) Pte. Ltd. – Medical Oncology Specialist Clinic Pte. Ltd. – ACS (International) – Ladyhill Holdings Pte. Ltd. – Ladyhill Properties Limited – Singapore Cancer and Oncology Centre⁽¹⁾ 	NIL

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name	Present Directorships	Past Directorships
Dr Khoo Kei Siong	<p><i>Group Companies</i></p> <ul style="list-style-type: none"> – Singapore Cancer Centre Pte. Ltd. <p><i>Other Companies</i></p> <ul style="list-style-type: none"> – Academy Of Medicine Singapore – Haematology and Cancer Centre Pte. Ltd. – NCC Technology Ventures Pte Ltd – MedInc Pte Ltd – Medical Oncology Specialist Clinic Pte. Ltd. – AYSUS Pte. Ltd. 	<p><i>Group Companies</i></p> <p>NIL</p> <p><i>Other Companies</i></p> <ul style="list-style-type: none"> – College Of Physicians, Singapore – Stemcell Advisory Pte. Ltd – GMT Partners LLP⁽²⁾
Mr Sitoh Yih Pin	<p><i>Group Companies</i></p> <p>NIL</p> <p><i>Other Companies</i></p> <ul style="list-style-type: none"> – PAP Community Foundation – Allied Technologies Limited – Nexia TS Pte Ltd – TSA Capital Pte Ltd – Lian Beng Group Ltd – TSA Recruitment Consultants Pte Ltd – NTS Asia Advisory Pte Ltd – NTS Asia Advisory Sdn Bhd – Nexia China Pte Ltd – Nexia TS Public Accounting Corporation – Nexia TS Risk Advisory Pte. Ltd. – Nexia TS Tax Services Pte. Ltd. – Nexia TS Technology Pte. Ltd. – Nexia TS Advisory Pte. Ltd. – SMA Charity Fund – United Food Holdings Limited 	<p><i>Group Companies</i></p> <p>NIL</p> <p><i>Other Companies</i></p> <ul style="list-style-type: none"> – Nera Telecommunications Ltd – Meiban Group Pte Ltd – PNE Micron Holdings Ltd – Chinasing Investment Holdings Limited

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name	Present Directorships	Past Directorships
Mr Dan Yock Hian	<i>Group Companies</i>	<i>Group Companies</i>
	NIL	NIL
	<i>Other Companies</i>	<i>Other Companies</i>
	<ul style="list-style-type: none"> – NTAN-ZMG Executive Solutions Pte. Ltd. – 9 Resources Pte. Ltd. – DYH Associates⁽³⁾ 	NIL
Mr Lim Jen Howe	<i>Group Companies</i>	<i>Group Companies</i>
	NIL	NIL
	<i>Other Companies</i>	<i>Other Companies</i>
	<ul style="list-style-type: none"> – ABR Holdings Limited – Arbour Fine Art Pte Ltd – Thong & Lim Consultants Private Limited – Period Properties Pte Ltd – T & L Support Services Pte. Ltd. – The Anglo-Chinese Schools Foundation Limited – Caregivers Alliance Limited – Thong & Lim (formerly known as Charles Wu & Associates)⁽⁴⁾ 	<ul style="list-style-type: none"> – MM Powerplus Busway (Singapore) Pte. Limited (Struck off)
Mr Lim Teong Jin George	<i>Group Companies</i>	<i>Group Companies</i>
	NIL	NIL
	<i>Other Companies</i>	<i>Other Companies</i>
	<ul style="list-style-type: none"> – Singapore Mediation Centre – Caritas Singapore Community Council Limited – Wee, Tay & Lim LLP⁽⁵⁾ – International Mediation Institute 	<ul style="list-style-type: none"> – Singapore Institute Of Legal Education – WEE TAY & LIM (expired)

Notes:

- (1) Singapore Cancer and Oncology Centre is a sole-proprietorship and Dr Ang Peng Tiam is the manager of it;
- (2) Dr Khoo Kei Siong was a partner of GMT Partners LLP;
- (3) DYH Associates is a sole-proprietorship and Mr Dan Yock Hian is the sole-proprietor of it;
- (4) Mr Lim Jen Howe is a partner of Thong & Lim (a partnership); and
- (5) Mr Lim Teong Jin George is a partner of Wee, Tay & Lim LLP.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

EXECUTIVE OFFICERS

Our Executive Officers as at the date of this Offer Document comprise our Executive Directors, Dr Ang and Dr Khoo, and our CFO, Mr Quek Hiong How. The particulars of our Executive Directors are set out in the “Directors” section above. The particulars of our CFO as at the date of this Offer Document are set out below:

Name	Age	Address	Designation
Quek Hiong How	65	14 Ringwood Road, Singapore 437409	CFO

Information on the business and working experience, education and professional qualifications, if any, of our CFO are set out below:

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.

The list of past and present directorships of each of our Executive Officers over the last five years up to the Latest Practicable Date is set out below:

Name	Present Directorships	Past Directorships
Quek Hiong How	<i>Group Companies</i>	<i>Group Companies</i>
	NIL	NIL
	<i>Other Companies</i>	<i>Other Companies</i>
	– JEP Holdings Ltd.	– Boustead Projects Pte. Ltd.
	– MyChinaChannel Pte. Ltd.	– Boustead Mec. Pte. Ltd.
		– Boustead Projects Investments Pte Ltd
		– RCLF Beijing 1 Pte. Ltd.
		– IPARK Pte. Ltd. (In liquidation – members’ voluntary winding up)
		– A Logistics Pte. Ltd (In liquidation – members’ voluntary winding up)
		– CN Logistics Pte. Ltd.
		– CNIM Pte. Ltd. (Dissolved – members’ voluntary winding up)
		– PIP Pte. Ltd.
		– BP-UMS Pte. Ltd.
		– BP-Tuas 1 Pte. Ltd.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Save as disclosed in the section entitled “Shareholders” of this Offer Document, none of our Directors and Executive Officers is related to each other or to our Substantial Shareholders.

To the best of our Directors’ knowledge and belief, none of our Directors or Executive Officers had been appointed pursuant to any arrangement or understanding with a Substantial Shareholder, customer or supplier of our Company.

SERVICE AGREEMENTS

Executive Directors

On 23 December 2013, our Company entered into separate service agreements (the “**Service Agreements**”) with each of our Executive Directors, namely, Dr Ang Peng Tiam and Dr Khoo Kei Siong (each an “**Appointee**”).

Each Service Agreement is valid for an initial term of five years commencing from the date of the Listing, which will continue thereafter until terminated by not less than six months’ notice in writing served by either party on the other party, or in lieu of the six months’ notice, an amount equivalent to six months’ salary based on the Appointee’s last drawn monthly salary. Each of the Service Agreements may also be terminated if any of them commits a breach of the Service Agreement, such as being convicted of any offence involving fraud or dishonesty or being adjudicated bankrupt. There are no benefits payable to the Executive Directors upon termination of their employment with the Group.

Pursuant to the terms of their respective Service Agreements, our Executive Directors are entitled to an annual basic salary as follows:

Executive Director	Annual basic salary (S\$) under the Service Agreements
Dr Ang Peng Tiam	Band 3 ⁽¹⁾
Dr Khoo Kei Siong	Band 1 ⁽²⁾

Notes:

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

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

The annual basic salaries of the Executive Directors will be reviewed and approved by the Board of Directors (as recommended by the Remuneration Committee). Directors’ fees do not form part of the terms of the Service Agreements as these require the approval of Shareholders in our Company’s annual general meeting. For the avoidance of doubt, the Executive Directors will not be entitled to any performance bonus unless the same is recommended by the Remuneration Committee in their absolute discretion.

The Service Agreements provide that during the continuance of their employment with the Group, Dr Ang Peng Tiam and Dr Khoo Kei Siong shall, amongst other things, devote their whole time and attention to the business of the Group and shall not engage in any other business or be concerned or interested, whether for reward or gratuitously, in any capacity in any trade or business or occupation of a similar nature to or competitive with that carried on by the Group. The prohibition extends to the holding of any public or private office which, in the opinion of the Group, may hinder or otherwise interfere with the performance of their duties to the Group.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

The Service Agreements also contain non-competition undertakings by each of Dr Ang Peng Tiam and Dr Khoo Kei Siong which are effective during, as well as six months after the cessation of, their employment with the Group. During such period, Dr Ang Peng Tiam and Dr Khoo Kei Siong shall not, amongst other things, engage in any other business or be concerned or interested, whether for reward or gratuitously, in any capacity in any trade or business or occupation of a similar nature to or competitive with that carried on by the Group.

Executive Officers

Other than the Service Agreements entered into with our Executive Directors mentioned in the aforesaid section, we have also entered into an employment agreement with our CFO, Mr Quek Hiong How. The employment agreement sets forth compensation and related terms, such as, *inter alia*, annual leave and grounds of termination, etc.

Save as disclosed above, there are no service agreements entered into between our Directors or Executive Officers with our Company or our subsidiary which provide for benefits upon termination of employment.

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The remuneration paid to each of our Directors and Executive Officers for services rendered to us in all capacities in FY2011 and FY2012 (being the last two most recent completed financial years), and the estimated remuneration payable for FY2013, on an aggregate basis in bands of S\$250,000 were or are as follows:

	FY2011 ⁽¹⁾⁽²⁾⁽³⁾	FY2012 ⁽¹⁾⁽²⁾⁽³⁾	FY2013 (estimated) ⁽¹⁾⁽²⁾⁽³⁾
Directors			
Mr Chandra Das s/o Rajagopal Sitaram	–	–	Band 1
Dr Ang Peng Tiam	Band 3	Band 3	Band 3
Dr Khoo Kei Siong	Band 1	Band 1	Band 1
Mr Sitoh Yih Pin	–	–	Band 1
Mr Dan Yock Hian	–	–	Band 1
Mr Lim Teong Jin George	–	–	Band 1
Mr Lim Jen Howe	–	–	Band 1
Executive Officer			
Quek Hiong How	–	Band 1	Band 1

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.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Save for mandatory contributions for CPF, we do not have any pension, retirement or similar benefits for our Directors and Executive Officers and we have not set aside or accrued any amounts for our Directors and Executive Officers to provide for pension, retirement or similar benefits.

Save as disclosed under this section and the “Directors, Executive Officers and Employees – Service Agreements” section of this Offer Document, no compensation was paid or is to be paid to any of our Directors, Executive Officers or Employees in FY2011 or FY2012, and no compensation is expected to be paid to any of our Directors, Executive Officers or employees in FY2013 pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement.

As at the date of this Offer Document, no compensation has been paid or will be paid in the form of stock options or shares to any of our Directors, Executive Officers or employees.

Related Employees

As at the Latest Practicable Date, none of our employees are related to our Directors and Substantial Shareholders by blood or marriage.

Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or Nominating Committee is related to the employee under review, he will abstain from the review. The remuneration of employees who are related to our Directors and Substantial Shareholders (if any) will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee.

EMPLOYEES

As at the Latest Practicable Date, we have 62 full-time employees. A breakdown of our full-time staff employees by business function is as follows:

Segmented by Function	FY2010	FY2011	FY2012	As at the Latest Practicable Date
Management ⁽¹⁾	4	4	5	5
Professional medical staff	4	4	4	8
Medical support staff	39	40	40	44
Finance and administrative staff	4	5	4	5
Total	51	53	53	62

Note:

- (1) Our Executive Directors and Executive Officers are included under management. For the avoidance of doubt, the Specialist Doctors are classified as management.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

The growth in our staff strength is in line with the growth in our Group's operations for FY2010, FY2011 and FY2012.

All our employees are based in Singapore. We do not employ a significant number of temporary employees.

None of our employees are unionised. The relationship and co-operation between our management and staff is good and this is expected to remain so in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations during the Period Under Review.

The number of full-time staff that we employ is not subject to any significant seasonal fluctuation.

Other than amounts set aside or accrued in respect of mandatory employee funds, no amounts have been set aside or accrued by our Group to provide pension, retirement or similar benefits to our employees.

CORPORATE GOVERNANCE

POLICIES

Our Directors recognise the importance of corporate governance and in offering high standards of accountability to our Shareholders. Accordingly, our Directors have established an Audit Committee, a Remuneration Committee and a Nominating Committee.

Audit Committee

Our Audit Committee comprises Mr Sitoh Yih Pin, Mr Dan Yock Hian and Mr Lim Jen Howe. The Chairman of the Audit Committee is Mr Sitoh Yih Pin.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit Committee will meet, at a minimum, on a quarterly basis every year. Our Audit Committee will meet periodically to perform the following functions:

- (a) ensure that all internal control weaknesses are satisfactorily and properly rectified and update the Sponsor, when necessary on any findings of the external auditors or accounting firm and any action taken by the Audit Committee to rectify such weaknesses pursuant thereto;
- (b) review the periodic consolidated financial statements and results announcements before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
- (c) review the risk profile of the Company, its internal control and risk management procedures and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board of Directors;
- (d) ensure co-ordination between the external auditors, internal auditors, our management, review the assistance given by our management to the auditors, discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of our management, where necessary);
- (e) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (f) consider the appointment, remuneration, terms of engagement or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors;

CORPORATE GOVERNANCE

- (g) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (h) evaluate the independence of the external auditors;
- (i) ensure that a clear reporting structure is in place between the Audit Committee and the internal auditors;
- (j) review the procedures by which employees of our Group may, in confidence, report to the Chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigations and follow-up actions in relation thereto;
- (k) undertake such other reviews and projects as may be requested by the Board of Directors, and will report to Board of Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- (l) review potential conflicts of interest, if any;
- (m) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time; and
- (n) assess the performance of the chief financial officer, for the relevant period, on an annual basis to determine his suitability for the position.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular resolution.

Our Audit Committee, after having conducted an interview with Mr Quek Hiong How and after having considered:

- (a) the qualifications and past working experiences of Mr Quek (as described in the section entitled “Directors, Executive Officers and Employees – Executive Officers” of this Offer Document) which are compatible with his position as CFO of our Group;
- (b) Mr Quek’s past audit, financial and accounting related experiences;
- (c) Mr Quek’s demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the admission of our Company to the Catalist;
- (d) the absence of negative feedback on Mr Quek from the representatives of our Group’s Independent Auditors and Reporting Accountants, Ernst & Young LLP; and
- (e) the absence of internal control weaknesses attributable to Mr Quek identified during the internal control review conducted,

is of the view that Mr Quek is suitable for the position as CFO of our Group.

CORPORATE GOVERNANCE

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee members to cause them to believe that Mr Quek does not have the competence, character and integrity expected of a CFO of a listed issuer.

In addition, Mr Quek confirms that he is familiar with the business operations, accounting systems and policies and the internal controls of our Group.

Mr Quek shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

Nominating Committee

Our Nominating Committee comprises Mr Chandra Das s/o Rajagopal Sitaram, Mr Dan Yock Hian and Dr Ang Peng Tiam. The Chairman of the Nominating Committee is Mr Chandra Das s/o Rajagopal Sitaram.

Our Nominating Committee will be responsible for:

- (a) reviewing and recommending the nomination or re-nomination of our Directors and key executives, having regard to their contribution and performance;
- (b) determining on an annual basis whether or not a Director or key executive is independent;
- (c) assessing the performance of the Board and key executives and contribution of each Director to the effectiveness of the Board; and
- (d) 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;

Our Nominating Committee is also charged with the review of the suitability and appointment of the CFO, based on feedback from our Audit Committee.

Our Nominating Committee will recommend a framework for the evaluation of the Board's and individual Director's performance for the approval of the Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

CORPORATE GOVERNANCE

Remuneration Committee

Our Remuneration Committee comprises Mr Chandra Das s/o Rajagopal Sitaram, Mr Sitoh Yih Pin and Mr Lim Teong Jin George. The Chairman of the Remuneration Committee is Mr Chandra Das s/o Rajagopal Sitaram.

Our Remuneration Committee will recommend to our Board a framework of remuneration for the Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee shall be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be covered by our Remuneration Committee. In addition, our Remuneration Committee will perform an annual review of the remuneration of employees related to our Directors and Substantial Shareholders, if any, to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotions for these employees. Our Remuneration Committee is also responsible for ensuring that the disclosure of the remuneration of these employees in our annual report will be in accordance with the applicable requirements of the Listing Manual, including the Code of Corporate Governance 2012. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

BOARD PRACTICES

Term of office

Each of our Directors has served in office in our Company since the following dates:

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

Our Articles of Association provide that our Board of Directors shall consist of not less than two Directors. Our Directors are appointed by our Shareholders at a general meeting and an election of directors is held annually. One-third (or the number nearest to one-third) of our Directors are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three years. However, a retiring director is eligible for re-election at the meeting at which he retires. Please refer to the "Summary of Selected Articles of Association of our Company" in Appendix D of this Offer Document for more details on the appointment and retirement of directors.

CORPORATE GOVERNANCE

Internal Controls

The Directors, after making all reasonable enquiries, with the concurrence of the Audit Committee, are of the opinion that the internal controls of the Group are adequate to address operational, financial and compliance risks. In arriving at such adequacy opinion, the Directors are of the view that the internal controls of the Group have reasonable assurance about achieving the objectives of the categories (a), (b) and (c) as set out below.

For purpose of the above paragraph, “internal controls” is broadly defined as a process effected by an entity’s board of directors and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) effectiveness and efficiency of operations;
- (b) reliability of financial reporting; and
- (c) compliance with applicable laws and regulations.

The first category addresses an entity’s basic business objectives, including performance and profitability goals and safeguarding of assets. The second category relates to the preparation of reliable published financial statements, including interim and condensed financial statements and selected financial data derived from such statements, such as earnings releases reported publicly. The third category deals with complying with those laws and regulations to which the entity is subject.⁽¹⁾

The Company will put in place a whistle-blowing framework endorsed by the Audit Committee where employees of the Company may, without fear of reprisals or victimisation, and in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matters. The details of the whistle-blowing policies and arrangements will be made available to all employees. The Audit Committee is obliged to review all reports received and take or approve the appropriate actions. The objective for such arrangement is to ensure independent investigation of such matters and appropriate follow-up action.

In the event that a member of the Audit Committee is interested in any matter being considered by the Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular transaction.

Note:

- (1) Source: Singapore Standards on Auditing and the Committee of Sponsoring Organisations of the Treadway Commission (“**COSO**”) (<http://www.coso.org/documents/Internal%20Control-Integrated%20Framework.pdf>). COSO has not consented for the purposes of Section 249 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and the Placement Agent have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Sponsor and the Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Offer Document.

EXCHANGE CONTROLS

Currently, there are no Singapore governmental laws, decrees, regulations and other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP, rather than CDP itself, will be treated, under our Articles and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding the Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles. A fee of S\$10 for each withdrawal of 1,000 Shares or less and a fee of S\$25 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or 20 cents per S\$100 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at 7.0% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

Saved as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:

- (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
- (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) has any unsatisfied judgement against him;
- (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) has, at any time during the last 10 years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

In 2010, the family member of a previous patient of Dr Ang Peng Tiam submitted a complaint to the SMC in relation to the treatment rendered to the patient. Dr Ang was informed in May 2012 that the Complaints Committee of the SMC had referred the matter to the Disciplinary Tribunal for an inquiry to be conducted. However, Dr Ang has not been further updated since then.

Mr Quek Hiong How was the chief financial officer of Informatics Holdings Ltd from October 2003 to September 2005, currently known as Informatics Education Ltd. (“**Informatics**”), a company listed on the Main Board of the SGX-ST. Charges were brought against the then-CEO of Informatics for the overstatement of profits in the unaudited financial statements of Informatics for the first, second and third quarters of 2003 and for the misleading statement issued to the SGX-ST, together with a profit warning stating that “the directors and senior management of Informatics were not aware of the overstatement of revenue and profit”. The then-Chairman of Informatics faced similar charges. Mr Quek assisted in the investigation by the Commercial Affairs Department and subsequently testified as a witness for the prosecution in the case against the then-CEO. The then-CEO of Informatics was convicted of the charges and fined S\$445,000 in 2007 while the then-Chairman of Informatics pleaded guilty to two counts and was fined S\$240,000 in 2006.

MEMORANDUM OF ASSOCIATION

The nature of our Company’s business has been stated earlier in this Offer Document. Our objects can be found in our Memorandum which is available for inspection at our registered office in accordance with the “General and Statutory Information – Documents Available for Inspection” section of this Offer Document.

GENERAL AND STATUTORY INFORMATION

ARTICLES OF ASSOCIATION

An extract of our Articles relating to, *inter alia*, Directors' powers to vote on contracts in which they are interested, Directors' remuneration, Directors' borrowing powers, Directors' retirement, Directors' share qualification, rights pertaining to shares and alteration of capital are set out in "Summary of Selected Articles of Association of our Company" section in Appendix D of this Offer Document. The Articles of our Company is available for inspection at our registered office in accordance with the entitled "General and Statutory Information – Documents Available for Inspection" section of this Offer Document.

SHARE CAPITAL

As at the Latest Practicable Date, there is only one class of shares in the capital of our Company, being ordinary shares. The rights and privileges attached to our Shares are stated in the Articles of our Company. There are no founder, management, deferred or unissued shares reserved for issuance for any purpose. The Substantial Shareholders of our Company are not entitled to any different voting rights from the other Shareholders.

Save as disclosed below and in the "Share Capital" and "Restructuring Exercise" sections of this Offer Document, there were no changes in the issued and paid-up share capital of our Company or our subsidiary within the three years preceding the Latest Practicable Date.

Date of Issue	Number of shares issued	Issue price per share (\$\$)	Purpose of issue	Resultant issued share capital
Our Company				
10 September 2013	1,000	1.00	Subscriber share at incorporation	1,000
3 October 2013	100,000,000	0.0231	Issuance of 100,000,000 new ordinary shares pursuant to the acquisition of SCC	2,313,356
13 November 2013	552,000,000	–	Share Split of every one Share into 5.52 Shares	2,313,356
SCC				
N.A.	–	–	–	–

Save as disclosed above and under the "Share Capital" and "Restructuring Exercise" sections of this Offer Document, no shares in, or debentures of, our Company or our subsidiary have been issued, or are proposed to be issued, as fully or partly paid for in cash or for a consideration other than cash, during the last three years preceding Latest Practicable Date.

GENERAL AND STATUTORY INFORMATION

BANK BORROWINGS AND WORKING CAPITAL

Save as disclosed in the “Capitalisation and Indebtedness” section of this Offer Document, the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012” in Appendix A of this Offer Document and the “Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013” in Appendix B of this Offer Document, our Group has as at the Latest Practicable Date no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading credits) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

Our Directors are of the opinion that, as at the Latest Practicable Date, after taking into consideration our cash and bank balances position and cash from operating activities, our Group has adequate working capital to meet our present requirements.

MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our subsidiary within the two years preceding the date of lodgement of this Offer Document and are or may be material:

- (a) the Implementation Agreement and the escrow letter agreement in relation to the Implementation Agreement entered into between SCC and HWT dated 24 August 2013;
- (b) the Consultancy Restatement Agreement;
- (c) the Sale and Purchase Agreement as amended by the side letter dated 15 November 2013;
- (d) the lease agreement dated 1 May 2013 between SCC and Dr Ang Peng Tiam, details of which are disclosed in the “Interested Person Transactions – Present and On-going Interested Person Transactions” section of this Offer Document;
- (e) the Deed A, the details of which are disclosed in the “Interested Person Transactions – Present and On-going Interested Person Transactions” section of this Offer Document;
- (f) the Deed B, the details of which are disclosed in the “Interested Person Transactions – Present and On-going Interested Person Transactions” section of this Offer Document; and
- (g) the Sub-lease Agreement, the details of which are disclosed in the “Interested Person Transactions – Other Transactions” section of this Offer Document.

LITIGATION

Save as disclosed below, as at the Latest Practicable Date, neither our Company nor our subsidiary is engaged in any legal or arbitration proceedings as plaintiff or defendant including those which are pending or known to be contemplated which may have or have had in the last 12 months before the date of lodgement of this Offer Document, a material effect on the financial position or the profitability of our Company and our subsidiary.

GENERAL AND STATUTORY INFORMATION

We received a letter dated 18 December 2013 (“**Letter**”) from solicitors acting for the joint provisional liquidators of HWT. The Letter alleges that our wholly-owned subsidiary, SCC, has wrongfully terminated the Implementation Agreement dated 3 September 2012. Please refer to the “General Information on our Group – History and Development of our Group” section of this Offer Document for more particulars of the Implementation Agreement. It is to be noted that the Letter does not, in any event, give particulars of any breach or any alleged loss. Stamford Law Corporation, the Legal Adviser to our Company on Singapore Law, has opined that the purported claim is without merit. The legal opinion dated 27 December 2013 (“**Legal Opinion**”) issued by Stamford Law Corporation is available for inspection with the other documents related to the Invitation.

An executive summary of the Legal Opinion is as follows:

“SCC had entered into an implementation agreement dated 3 September 2012 to acquire the listing status of HWT. The agreement provided for the completion of the acquisition by 31 March 2013. By its terms, the implementation agreement terminated automatically when completion did not take place by such date. Completion did not take place as scheduled and despite SCC preparing a supplemental agreement to extend the date for completion, no supplemental agreement was signed. In November 2013, SCC notified HWT in writing that the implementation agreement was terminated. On 18 December 2013, solicitors acting for HWT notified SCC that HWT contested the termination of the agreement and that they were taking substantive instructions. HWT has at all material times, before the execution of the implementation agreement and up to the present, been in provisional liquidation pursuant to an order of a court in Bermuda. SCC has been advised that it is not likely that a claim will eventually be brought, or that any such claim would be successful. Furthermore, any liability that SCC may have, which the Company denies, is not material relative to the value of the Company.”

MISCELLANEOUS

The corporations which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled “Group Structure” of this Offer Document.

There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within two years preceding the date of this Offer Document.

Save as disclosed in the “Interested Person Transactions”, “Potential Conflicts of Interest – Interests of the Sponsor and the Placement Agent” and “Sponsorship, Management and Placement Arrangements” sections of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiary.

There has not been any public takeover offer by a third party in respect of our Company’s Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the end of FY2012 and the Latest Practicable Date.

Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the

GENERAL AND STATUTORY INFORMATION

deployment of such monies will accrue to the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without interest or any share of revenue or other benefit arising therefrom.

Save as disclosed in this Offer Document, our Directors are not aware of any event that has occurred from the end of FY2012 to the Latest Practicable Date which may have a material effect on the financial position and results of our Company and our subsidiary or the financial information provided in this Offer Document.

Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiary.

Save as disclosed under the “Risk Factors”, “Capitalisation and Indebtedness”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “General Information on our Group – Prospects” and “General Information on our Group – Business Strategies and Future Plans” sections of this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:

- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
- (b) material commitments for capital expenditure;
- (c) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
- (d) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.

Details, including the name, address and professional qualifications including membership in a professional body of the Independent Auditors and Reporting Accountants of our Company for the Period Under Review are as follows:

Name and address	Partner-in-charge/ Professional qualification	Membership in professional body
Ernst & Young LLP Public Accountants and Chartered Accountants One Raffles Quay North Tower #18-01 Singapore 048583	Tan Peck Yen, Chartered Accountant	Institute of Singapore Chartered Accountants

We currently have no intention of changing our auditors after the admission to, and listing of, our Company on Catalist.

No expert is engaged on a contingent basis by our Company or our subsidiary, or has a material interest, whether direct or indirect, in our Shares, our subsidiary, or has a material economic interest whether direct or indirect, in our Company, including an interest in the success of the Invitation.

GENERAL AND STATUTORY INFORMATION

CONSENTS

The Independent Auditors and Reporting Accountants, Ernst & Young LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012”, as set out in Appendix A of this Offer Document and the “Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013” as set out in Appendix B of this Offer Document in the form and context in which they are respectively included and references to its name, in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.

The Sponsor, Hong Leong Finance Limited, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.

The Placement Agent, UOBKH, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.

The Legal Adviser to our Company on Singapore Law, Stamford Law Corporation, has given and has not withdrawn its written consent to being named in this Offer Document as Legal Adviser to our Company on Singapore Law.

The Legal Adviser to the Sponsor on Singapore Law, RHTLaw Taylor Wessing LLP, has given and has not withdrawn its written consent to being named in this Offer Document as Legal Adviser to the Sponsor on Singapore Law.

Unless otherwise expressly stated herein, each of the Independent Auditors and Reporting Accountants, the Sponsor, the Placement Agent, the Legal Adviser to our Company on Singapore Law, the Legal Adviser to the Sponsor on Singapore Law, the Share Registrar and Share Transfer Office, the Principal Banker and the Receiving Banker do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any persons which is based on, or arises out of, the statements, information or opinions in this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts, the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

GENERAL AND STATUTORY INFORMATION

RESPONSIBILITY STATEMENT BY THE SPONSOR

The Sponsor acknowledges that to the best of its knowledge and belief, based on information furnished to it by our Group, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group and that it is not aware of any other facts, the omission of which would make any statements relating to the Invitation and our Group herein misleading.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof may be inspected at our registered office of our Company at 101 Thomson Road, #09-02 United Square, Singapore 307591 during normal business hours for a period of six months from the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority:

- (a) the Memorandum and Articles of our Company;
- (b) the “Independent Auditor’s Report and the Audited Combined Financial Statements for the Years Ended 31 December 2010, 2011 and 2012” as set out in Appendix A of this Offer Document;
- (c) the “Independent Auditor’s Report and the Unaudited Combined Financial Statements for the six-month period ended 30 June 2013” as set out in Appendix B of this Offer Document;
- (d) the letters of consent referred to in the section entitled “General and Statutory Information – Consents” of this Offer Document;
- (e) the material contracts referred to in the section entitled “General and Statutory Information – Material Contracts” of this Offer Document;
- (f) the Service Agreements referred to in the “Directors, Executive Officers and Employees” section of this Offer Document; and
- (g) the Legal Opinion referred to in the “Litigation” section of this Offer Document.

SOURCES

We have included the information from the SMC, the World Health Organisation, Pfizer, Inc., the MOH, the National Registry of Diseases Office, the National Cancer Centre, the Singapore Health Promotion Board, the National Cancer Institute, the PRWeb, the Organisation for Economic Co-operation and Development, SingaporeMedicine International Living, the Straits Times, TTG Asia and Singapore Standards on Auditing and the Committee of Sponsoring Organisations of the Treadway Commission, in their proper form and context in this Offer Document. None of the SMC, the World Health Organisation, Pfizer, Inc., the MOH, National Registry of Diseases Office, the National Cancer Centre, the Singapore Health Promotion Board, the National Cancer Institute, the PRWeb, the Organisation for Economic Co-operation and Development, SingaporeMedicine International Living, the Straits Times, TTG Asia and the Singapore Standards on Auditing and the Committee of Sponsoring Organisations of the Treadway Commission has provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information cited and attributed to it, in this Offer Document and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor and Placement Agent have taken reasonable actions to ensure that the relevant information from the relevant source has been reproduced in its proper form and context, neither we, the Sponsor and Placement Agent nor any other party has conducted an independent review or verified the accuracy or completeness of the relevant information.

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

**AUDITED COMBINED FINANCIAL STATEMENTS OF TALKMED GROUP LIMITED AND ITS
SUBSIDIARY FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

**AUDITED COMBINED FINANCIAL STATEMENTS OF TALKMED GROUP LIMITED AND ITS
SUBSIDIARY FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

STATEMENT BY DIRECTORS

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

- (i) the accompanying combined financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Company and its subsidiary (collectively, the “Group”) as at 31 December 2010, 2011 and 2012 and the results of the business, changes in equity and cash flows of the Group for each of the financial years ended 31 December 2010, 2011 and 2012 in accordance with Singapore Financial Reporting Standards; and
- (ii) 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

17 January 2014

APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012

INDEPENDENT AUDITOR’S REPORT IN RELATION TO THE AUDITED COMBINED FINANCIAL STATEMENTS OF TALKMED GROUP LIMITED AND ITS SUBSIDIARY FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012

The Board of Directors
TalkMed Group Limited
101 Thomson Road
#09-02 United Square
Singapore 307591

Report on the financial statements

We have audited the accompanying financial statements of TalkMed Group Limited (the “Company”) and its subsidiary (collectively, the “Group”) set out on pages A-5 to A-36, which comprise the combined statements of financial position of the Group as at 31 December 2010, 2011 and 2012, and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the financial years ended 31 December 2010, 2011 and 2012, and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with 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 combined financial statements based on our audits. We conducted our audits in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

**INDEPENDENT AUDITOR’S REPORT IN RELATION TO THE AUDITED COMBINED
FINANCIAL STATEMENTS OF TALKMED GROUP LIMITED AND ITS SUBSIDIARY FOR THE
FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

Auditor’s responsibility (cont’d)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of combined financial statements 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 combined financial statements.

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

Opinion

In our opinion, the abovementioned combined financial statements of the Group present fairly, in all material respects, the state of affairs of the Group as at 31 December 2010, 2011 and 2012 and the results of operations, changes in equity and cash flows of the Group for each of the financial years ended 31 December 2010, 2011 and 2012 in accordance with Singapore Financial Reporting Standards.

Restriction of distribution and use

This report is made solely to you as a body and for inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of the Company by way of placement, in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

17 January 2014
Partner in charge: Tan Peck Yen

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

TALKMED GROUP LIMITED AND ITS SUBSIDIARY

**COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

(Amounts expressed in Singapore Dollars)

	Note	2010 \$'000	2011 \$'000	2012 \$'000
Revenue	4	48,342	49,135	51,857
Other items of income				
Other income	5	49	9	10
Other items of expense				
Employee benefits	13	(9,004)	(9,540)	(9,787)
Operating lease expenses		(202)	(239)	(287)
Other operating expenses		(159)	(122)	(3,299)
Profit before tax		39,026	39,243	38,494
Income tax expense	6	(6,598)	(6,645)	(6,516)
Profit for the year, representing total comprehensive income for the year attributable to owners of the Company		32,428	32,598	31,978
Earnings per share attributable to owners of the Company (cents per share)				
Basic and diluted	7	5.87	5.91	5.79

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

TALKMED GROUP LIMITED AND ITS SUBSIDIARY

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010, 2011 AND 2012**

(Amounts expressed in Singapore Dollars)

	Note	2010 \$'000	2011 \$'000	2012 \$'000
Assets				
Non-current assets				
Plant and equipment	8	—	—	—
Current assets				
Trade and other receivables	9	5,257	5,566	6,036
Cash and short-term deposits	10	10,460	12,364	16,752
Total assets		<u>15,717</u>	<u>17,930</u>	<u>22,788</u>
Equity and liabilities				
Current liabilities				
Other payables	11	1,254	889	760
Accrued operating expenses		345	229	3,416
Income tax payable		6,598	6,694	6,516
Total liabilities		<u>8,197</u>	<u>7,812</u>	<u>10,692</u>
Net current assets		<u>7,520</u>	<u>10,118</u>	<u>12,096</u>
Net assets		<u>7,520</u>	<u>10,118</u>	<u>12,096</u>
Equity				
Share capital	12	1	1	1
Retained earnings		7,519	10,117	12,095
Total equity		<u>7,520</u>	<u>10,118</u>	<u>12,096</u>
Total equity and liabilities		<u>15,717</u>	<u>17,930</u>	<u>22,788</u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT AND
THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

TALKMED GROUP LIMITED AND ITS SUBSIDIARY

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

(Amounts expressed in Singapore Dollars)

	Note	Equity, total \$'000	Share capital (Note 12) \$'000	Retained earnings \$'000
2010				
Opening balance at 1 January 2010		5,092	1	5,091
Profit for the year, representing total comprehensive income for the year		32,428	–	32,428
<u>Contributions by and distribution to owners</u>				
Dividends on ordinary shares	20	(30,000)	–	(30,000)
Closing balance at 31 December 2010		<u>7,520</u>	<u>1</u>	<u>7,519</u>
2011				
Opening balance at 1 January 2011		7,520	1	7,519
Profit for the year, representing total comprehensive income for the year		32,598	–	32,598
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	20	(30,000)	–	(30,000)
Closing balance at 31 December 2011		<u>10,118</u>	<u>1</u>	<u>10,117</u>
2012				
Opening balance at 1 January 2012		10,118	1	10,117
Profit for the year, representing total comprehensive income for the year		31,978	–	31,978
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	20	(30,000)	–	(30,000)
Closing balance at 31 December 2012		<u>12,096</u>	<u>1</u>	<u>12,095</u>

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

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**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

(Amounts expressed in Singapore Dollars)

	Note	2010 \$'000	2011 \$'000	2012 \$'000
Operating activities				
Profit before tax		39,026	39,243	38,494
<u>Adjustment for:</u>				
Interest income	5	(23)	(9)	–
Operating cash flows before changes in working capital		39,003	39,234	38,494
<u>Changes in working capital</u>				
Increase in trade and other receivables		(210)	(309)	(470)
Increase/(decrease) in other payables		394	(365)	(129)
Increase/(decrease) in accrued operating expenses		319	(116)	3,187
Total changes in working capital		503	(790)	2,588
Cash flows from operations		39,506	38,444	41,082
Interest received		23	9	–
Income tax paid		(6,035)	(6,549)	(6,694)
Net cash flows from operating activities		33,494	31,904	34,388
Financing activities				
Dividends paid on ordinary shares		(30,000)	(30,000)	(30,000)
Net cash flows used in financing activities		(30,000)	(30,000)	(30,000)
Net increase in cash and cash equivalents		3,494	1,904	4,388
Cash and cash equivalents at 1 January		6,966	10,460	12,364
Cash and cash equivalents at 31 December	10	10,460	12,364	16,752

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

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NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012

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 activity of its subsidiary, Singapore Cancer Centre Pte. Ltd., is the provision of specialist doctors and medical staff to Parkway Cancer Centre, which is a division of Parkway Hospitals Singapore Pte. Ltd. for the provision of specialist oncology services.

1.2 *The Restructuring Exercise*

The Group undertook the transactions described below as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited (the “Restructuring Exercise”).

(a) Incorporation of the Company

The Company was incorporated by the shareholders of Singapore Cancer Centre Pte. Ltd. on 10 September 2013 as a private company limited by shares, with initial subscriber share capital of \$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 \$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.

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1. Corporate information (cont’d)

1.2 *The Restructuring Exercise (cont’d)*

(c) Entry into Consultancy Restatement Agreement

As part of the Restructuring Exercise, the terms of the Original Consultancy Agreement and Consultancy Supplemental Agreement 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.

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 years ended 31 December 2010, 2011 and 2012 for the purpose of inclusion in the Offer Document are that of the Company and its subsidiary company prepared in accordance with RAP 12 Merger Accounting for Common Control Combinations for financial statements prepared under Part IX of the Fifth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005. In substance, the Group is a continuation of Singapore Cancer Centre Pte. Ltd.. Accordingly, the combined financial statements of the Group for the financial years ended 31 December 2010, 2011 and 2012 have been presented as if the Group had been in existence for all periods presented and the assets and liabilities 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..

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 \$), which is the functional currency of the Group and all values in the tables are rounded to the nearest thousand (\$’000) as indicated.

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2. Summary of significant accounting policies (cont’d)

2.2 *Changes in accounting policies*

The accounting policies have been consistently applied by the Group during the financial years ended 31 December 2010, 2011 and 2012, except for the changes in accounting policies discussed below.

(a) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2010 are as follows:

- Revised FRS 27 Consolidated and Separate Financial Statements
- Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Item
- Amendments to FRS 102 – Group Cash-settled Share-based Payments Transactions
- Revised FRS 103 Business Combinations
- Amendments to INT FRS 109 and FRS 39 – Embedded Derivatives
- INT FRS 117 Distributions of Non-cash Assets to Owners
- INT FRS 118 Transfer of Assets from customers
- Improvements to FRSs issued in 2008
- Improvements to FRSs issued in 2009

The adoption of the standards and interpretations above had no material impact on the financial statements in the period of initial application.

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2. Summary of significant accounting policies (cont’d)

2.2 *Changes in accounting policies (cont’d)*

(b) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2011 are as follows:

- Amendment to FRS 32 Financial Instruments: Presentation – Classification of Rights Issues
- INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments
- Improvement to FRSs issued in 2010
- Revised FRS 24 Related Party Disclosures
- Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement
- INT FRS 115 Agreements for the Construction of Real Estate

The adoption of the standards and interpretations above had no material impact on the financial statements in the period of initial application.

(c) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2012 are as follows:

- Amendments to FRS 12 Deferred Tax – Recovery of Underlying Assets

The adoption of this standard did not have any material effect on the financial performance or position of the Group.

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2. Summary of significant accounting policies (cont’d)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following FRSs and INT FRSs that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Revised FRS 19 <i>Employee Benefits</i>	1 January 2013
FRS 113 <i>Fair Value Measurement</i>	1 January 2013
Amendments to FRS 107 <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Improvements to FRSs 2012	1 January 2013
– Amendment to FRS 1 <i>Presentation of Financial Statements</i>	1 January 2013
– Amendment to FRS 16 <i>Property, Plant and Equipment</i>	1 January 2013
– Amendment to FRS 32 <i>Financial Instruments: Presentation</i>	1 January 2013
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS 111 <i>Joint Arrangements</i>	1 January 2014
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 110 <i>Consolidated Financial Statements</i> , FRS 112 <i>Disclosure of Interest in Other Entities</i> and FRS 27 <i>Separate Financial Statements – Investment Entities</i>	1 January 2014
Amendments to FRS 36 <i>Recoverable Amount Disclosures for Non-financial Assets</i>	1 January 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.

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2. Summary of significant accounting policies (cont’d)

2.4 *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.

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. The 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 other 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 plant and equipment as follows:

Furniture, fitting and renovation	2 years
Clinic equipment	2 years
Office equipment	2 years
Computer and software	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 value, 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.

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2. Summary of significant accounting policies (cont’d)

2.6 *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 values, 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 payment 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 is recognised in profit or loss.

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2. Summary of significant accounting policies (cont’d)

2.7 *Impairment of financial assets*

The Group assesses at each reporting date 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 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 been 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. 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.

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2. Summary of significant accounting policies (cont’d)

2.8 *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.

2.9 *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants 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”.

2.10 *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 transaction costs.

Subsequent measurement

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest 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 de-recognised 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 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.

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2. Summary of significant accounting policies (cont’d)

2.11 *Employee benefits*

Defined contribution plans

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

2.12 *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 a reduction of rental expense over the lease term on a straight-line basis.

2.13 *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 discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Consultancy services*

The Company 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.

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2. Summary of significant accounting policies (cont’d)

2.13 *Revenue (cont’d)*

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.14 *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 at 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.

(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 investments in subsidiaries, associates and interests in joint ventures, 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.

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2. Summary of significant accounting policies (cont’d)

2.14 *Taxes (cont’d)*

(b) *Deferred tax (cont’d)*

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 investments in subsidiaries, associates and interests in joint ventures, deferred 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.

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 taxes relate to the same taxable entity and the same taxation authority.

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2. Summary of significant accounting policies (cont’d)

2.14 *Taxes (cont’d)*

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or 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 the 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.

2.15 *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.

2.16 *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.

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2. Summary of significant accounting policies (cont’d)

2.16 *Contingencies (cont’d)*

Contingent liabilities and assets are not recognised on the statement of financial position 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.

2.17 *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.
- (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).

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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. However, uncertainty about these assumptions and estimates could result in outcomes that could 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 amounts recognised in the financial statements.

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

	2010	2011	2012
	\$'000	\$'000	\$'000
Consultancy services	48,342	49,135	51,857

5. Other income

	2010	2011	2012
	\$'000	\$'000	\$'000
Interest income from short-term deposits	23	9	–
Grant income from jobs credit scheme	26	–	–
Grant income from special employment credit scheme	–	–	5
SME cash grant	–	–	5
	49	9	10

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5. Other income (cont’d)

During the financial year ended 31 December 2009, the Singapore Finance Minister announced the introduction of a Jobs Credit Scheme. Under this Scheme, the Group received a 12% cash grant on the first \$2,500 of each month’s wages for each employee on their Central Provident Fund payroll. The Government extended the Scheme with another two payments at stepped-down rates of 6% and 3% in March and June 2010 respectively. During the financial year ended 31 December 2010, the Group received grant income of \$26,000 under the Jobs Credit Scheme.

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 each month’s wages for each Singapore employee earning up to \$3,000 per month. During the financial year ended 31 December 2012, the Group received grant income of \$5,000 under the Special Employment Credit 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 2012, subject to a cap of \$5,000. During the financial year ended 31 December 2012, the Group received SME Cash Grant of \$5,000 under this scheme.

6. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2010, 2011 and 2012 are:

	2010	2011	2012
	\$’000	\$’000	\$’000
Current income tax, representing total income tax expense recognised in profit or loss	6,598	6,645	6,516

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6. Income tax expense (cont’d)

Relationship between tax expense and profit before tax

A reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2010, 2011 and 2012 are as follows:

	2010	2011	2012
	\$'000	\$'000	\$'000
Profit before tax	39,026	39,243	38,494
Tax at the domestic tax rate of 17%	6,634	6,671	6,544
Tax effect of:			
Non-deductible expenses	–	–	28
Effect of partial tax exemption	(36)	(26)	(57)
Others	–	–	1
Income tax expense recognised in profit or loss	6,598	6,645	6,516

7. Earnings per share

Earnings per share is calculated by dividing the Group’s net profit attributable to equity holders for the financial year by the pre-invitation share capital of the Company. The Company’s pre-invitation share capital of 552,000,000 ordinary shares were assumed to be in issue throughout the entire years presented.

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8. Plant and equipment

	Furniture, fitting and renovation \$'000	Clinic equipment \$'000	Office equipment \$'000	Computer and software \$'000	Total \$'000
Cost:					
At 1 January 2010, 2011, 2012 and 31 December 2010, 2011, 2012	17	10	4	5	36
Accumulated depreciation:					
At 1 January 2010	17	10	4	5	36
Depreciation charge for the year	—	—	—	—	—
At 31 December 2010 and 1 January 2011	17	10	4	5	36
Depreciation charge for the year	—	—	—	—	—
At 31 December 2011 and 1 January 2012	17	10	4	5	36
Depreciation charge for the year	—	—	—	—	—
At 31 December 2012	17	10	4	5	36
Net carrying amount:					
At 31 December 2010	—	—	—	—	—
At 31 December 2011	—	—	—	—	—
At 31 December 2012	—	—	—	—	—

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9. Trade and other receivables

	2010	2011	2012
	\$'000	\$'000	\$'000
Trade receivables	5,253	5,562	6,036
Amount due from a company wholly-owned by a director (non-trade)	4	4	–
Total trade and other receivables	5,257	5,566	6,036
Add: Cash and cash equivalents (Note 10)	10,460	12,364	16,752
Total loans and receivables	15,717	17,930	22,788

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.

Amount due from a company wholly-owned by a director (non-trade)

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

Receivables that are past due but not impaired

As at 31 December 2010, 2011 and 2012, the Group has trade receivables amounting to \$2,000, \$29,000 and Nil respectively that are past due but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2010	2011	2012
	\$'000	\$'000	\$'000
Trade receivables past due:			
Lesser than 30 days	–	29	–
30 – 60 days	–	–	–
61 – 90 days	–	–	–
More than 90 days	2	–	–
	2	29	–

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10. Cash and short-term deposits

	2010	2011	2012
	\$'000	\$'000	\$'000
Cash at banks and on hand	6,101	12,364	16,752
Short-term deposits	4,359	–	–
	<u>10,460</u>	<u>12,364</u>	<u>16,752</u>

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. There were no cash and cash equivalents denominated in foreign currencies as at 31 December 2010, 2011 and 2012 respectively.

11. Other payables

	2010	2011	2012
	\$'000	\$'000	\$'000
GST payable	1,254	889	745
Amount due to a company wholly-owned by a director (non-trade)	–	–	1
Amount due to director (non-trade)	–	–	14
Total other payables	<u>1,254</u>	<u>889</u>	<u>760</u>
Add: Accrued operating expenses	345	229	3,416
Less: GST Payable	<u>(1,254)</u>	<u>(889)</u>	<u>(745)</u>
Total financial liabilities carried at amortised cost	<u>345</u>	<u>229</u>	<u>3,431</u>

Amount due to a company wholly-owned by a director (non-trade) and amount due to director (non-trade)

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

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12. Share capital

	2010		2011		2012	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares						
At 1 January and 31 December	1	1	1	1	1	1

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

Subsequent to 31 December 2012, 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 \$2,312,356. 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. Accordingly, the pre-invitation share capital comprises 552,000,000 ordinary shares amounting to \$2,313,356.

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.

13. Employee benefits

	2010 \$'000	2011 \$'000	2012 \$'000
Employee benefits expense (including directors):			
Salaries and bonuses	8,670	9,096	9,314
Central Provident Fund contributions	319	386	407
Other short-term benefits	15	58	66
At 31 December	9,004	9,540	9,787

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14. Related party transactions

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 during the financial years on terms agreed between the parties:

(i) ***Sale and purchase of goods and services***

	2010	2011	2012
	\$'000	\$'000	\$'000
Operating lease expense paid to a company wholly-owned by a director	202	202	202

In addition, certain companies in which certain directors of the Company 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 \$115,800 (2010: nil, 2011: nil) and was taken into account in the determination of revenue from consultancy services.

(ii) ***Compensation of key management personnel***

	2010	2011	2012
	\$'000	\$'000	\$'000
Short-term employee benefits	5,278	5,422	5,527
Central Provident Fund contributions	27	30	32
	<u>5,305</u>	<u>5,452</u>	<u>5,559</u>
<i>Comprises amounts paid to:</i>			
Directors of the Company	<u>5,305</u>	<u>5,452</u>	<u>5,559</u>

15. Commitments

(a) ***Operating lease commitments – as lessee***

The Group has entered into commercial operating lease on certain clinic centres. These leases have an average terms ranging from 1 to 2 years with renewal options of 2 years at the prevailing market rate and no escalation clauses. Lease terms do not contain restrictions on the Group’s activities concerning dividends, additional debt or further leasing.

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15. Commitments (cont’d)

(a) *Operating lease commitments – as lessee (cont’d)*

Minimum lease payments recognised as an expense in profit or loss for the financial years ended 31 December 2010, 2011 and 2012 amounted to \$202,000, \$239,000 and \$287,000 respectively.

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

	2010	2011	2012
	\$'000	\$'000	\$'000
Not later than one year	–	72	84
Later than one year but not later than five years	–	–	70
	<u>–</u>	<u>72</u>	<u>154</u>

16. Fair value of financial instruments

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

Trade and other receivables (Note 9), Amount due to a company wholly-owned by a director/Amount due to director (Note 11) and accrued operating expenses

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

17. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include 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 exposures to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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17. Financial risk management objectives and policies (cont’d)

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 exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Excessive risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group’s performance to developments affecting a particular industry.

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.

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.

Credit risk concentration profile

The Group has only one trade debtor and the carrying amounts of trade receivable are due from this trade debtor for the years ended 31 December 2010, 2011 and 2012.

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 short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

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17. Financial risk management objectives and policies (cont’d)

(a) Credit risk (cont’d)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 (Trade and other receivables).

(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’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group funds its operations through profits generated from operations as well as from their existing cash and bank balances.

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.

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.

	One year or less \$	One to five years \$	Total \$
31 December 2010			
Financial assets:			
Trade and other receivables	5,257	–	5,257
Cash and cash equivalents	10,460	–	10,460
Total undiscounted financial assets	15,717	–	15,717
Financial liabilities:			
Accrued operating expenses	345	–	345
Total undiscounted financial liabilities	345	–	345
Total net undiscounted financial assets	15,372	–	15,372

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17. Financial risk management objectives and policies (cont’d)

(b) *Liquidity risk (cont’d)*

	One year or less \$	One to five years \$	Total \$
31 December 2011			
Financial assets:			
Trade and other receivables	5,566	–	5,566
Cash and cash equivalents	12,364	–	12,364
Total undiscounted financial assets	17,930	–	17,930
Financial liabilities:			
Accrued operating expenses	229	–	229
Total undiscounted financial liabilities	229	–	229
Total net undiscounted financial assets	17,701	–	17,701
	One year or less \$	One to five years \$	Total \$
31 December 2012			
Financial assets:			
Trade and other receivables	6,036	–	6,036
Cash and cash equivalents	16,752	–	16,752
Total undiscounted financial assets	22,788	–	22,788
Financial liabilities:			
Other payables	15	–	15
Accrued operating expenses	3,416	–	3,416
Total undiscounted financial liabilities	3,431	–	3,431
Total net undiscounted financial assets	19,357	–	19,357

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18. 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, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010, 2011 and 2012.

19. 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.

20. Dividends

	2010	2011	2012
	\$'000	\$'000	\$'000
Declared and paid during the financial year:			
<i>Dividends on ordinary shares:</i>			
– First interim exempt (one-tier) dividend 2012: \$7,500 (2010: \$7,500, 2011: \$7,500) per share	7,500	7,500	7,500
– Second interim exempt (one-tier) dividend 2012: \$7,500 (2010: \$7,500, 2011: \$7,500) per share	7,500	7,500	7,500
– Third interim exempt (one-tier) dividend 2012: \$7,500 (2010: \$7,500, 2011: \$7,500) per share	7,500	7,500	7,500
– Fourth interim exempt (one-tier) dividend 2012: \$7,500 (2010: \$7,500, 2011: \$7,500) per share	7,500	7,500	7,500
	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>

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20. Dividends (cont’d)

Subsequent to 31 December 2012, the following dividends were declared:

Dividends on ordinary shares:

- First interim exempt (one-tier) dividend 2013: \$7,500 (2012: \$7,500) per share
- Second interim exempt (one-tier) dividend 2013: \$7,500 (2012: \$7,500) per share
- Third interim exempt (one-tier) dividend 2013: \$7,500 (2012: \$7,500) per share
- Fourth interim exempt (one-tier) dividend 2013: \$5,000 (2012: \$7,500) per share

The dividends have been declared by Singapore Cancer Centre Pte. Ltd. to its then existing shareholders prior to the Restructuring Exercise. The dividend per share is calculated based on the number of ordinary shares of Singapore Cancer Centre Pte. Ltd. in issue as at date of dividend declaration.

21. Authorisation of combined financial statements

The combined financial statements for the years ended 31 December 2010, 2011 and 2012 were authorised for issue in accordance with a resolution of the directors on 17 January 2014.

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**UNAUDITED COMBINED FINANCIAL STATEMENTS OF TALKMED GROUP LIMITED AND ITS
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**UNAUDITED COMBINED FINANCIAL STATEMENTS OF TALKMED GROUP LIMITED AND ITS
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STATEMENT BY DIRECTORS

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

- (i) the accompanying unaudited combined financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Company and its subsidiary (collectively, the “Group”) as at 30 June 2013 and the results of the business, changes in equity and cash flows of the Group for the six-month period ended on that date in accordance with Singapore Financial Reporting Standards, and
- (ii) 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

17 January 2014

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT AND
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**INDEPENDENT AUDITOR’S REPORT IN RELATION TO THE UNAUDITED COMBINED
FINANCIAL STATEMENTS OF TALKMED GROUP LIMITED AND ITS SUBSIDIARY FOR THE
SIX-MONTH PERIOD ENDED 30 JUNE 2013**

The Board of Directors
TalkMed Group Limited
101 Thomson Road
#09-02 United Square
Singapore 307591

Dear Sirs

Introduction

We have reviewed the accompanying interim combined financial statements of TalkMed Group Limited (the “Company”) and its subsidiary (collectively, the “Group”), set out on pages B-5 to B-32, which comprise the interim combined statement of financial position of the Group as at 30 June 2013, and the related interim combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the six-month period ended 30 June 2013, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Singapore Financial Reporting Standards FRS 34 *Interim Financial Reporting* (“FRS 34”). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim combined financial statements do not present fairly, in all material respects, the financial position of the Group as at 30 June 2013 and of its financial performance, changes in equity and cash flows for the six-month period then ended in accordance with FRS 34.

Restriction on Distribution and Use

This report is made solely to you as a body and for the inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of the Company by way of placement, in connection with the Company’s listing on the Catalist Board of Singapore Exchange Securities Trading Limited.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

17 January 2014
Partner in charge: Tan Peck Yen

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TALKMED GROUP LIMITED AND ITS SUBSIDIARY

**COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013**

(Amounts expressed in Singapore Dollars)

		Six-month period ended 30 June	
	Note	2013 \$'000 (Unaudited)	2012 \$'000 (Unaudited)
Revenue	4	27,039	25,238
Other items of income			
Other income	5	4	–
Other items of expense			
Employee benefits	13	(5,273)	(4,650)
Operating lease expenses		(143)	(162)
Other operating expenses		(2,701)	(1,545)
Profit before tax		18,926	18,881
Income tax expense	6	(3,203)	(3,198)
Profit for the period, representing total comprehensive income attributable to owners of the Company		<u>15,723</u>	<u>15,683</u>
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	7	<u>2.85</u>	<u>2.84</u>

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

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TALKMED GROUP LIMITED AND ITS SUBSIDIARY

**COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

(Amounts expressed in Singapore Dollars)

	Note	30 June 2013 \$'000 (Unaudited)	31 December 2012 \$'000 (Audited)
Assets			
Non-current assets			
Plant and equipment	8	2	–
Current assets			
Trade and other receivables	9	8,209	6,036
Cash and cash equivalents	10	17,355	16,752
		25,564	22,788
Total assets		25,566	22,788
EQUITY AND LIABILITIES			
Current liabilities			
Other payables	11	584	760
Accrued operating expenses		5,957	3,416
Income tax payable		6,206	6,516
Total liabilities		12,747	10,692
Net current assets		12,817	12,096
Net assets		12,819	12,096
Equity			
Share capital	12	1	1
Retained earnings		12,818	12,095
Total equity		12,819	12,096
Total equity and liabilities		25,566	22,788

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

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THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 30 JUNE 2013**

TALKMED GROUP LIMITED AND ITS SUBSIDIARY

**COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013**

(Amounts expressed in Singapore Dollars)

	Note	Total equity \$'000	Share capital (Note 12) \$'000	Retained earnings \$'000
Unaudited				
30 June 2012				
Opening balance at 1 January 2012		10,118	1	10,117
Profit for the period, representing total comprehensive income for the period		15,683	–	15,683
<u>Contributions by and distribution to owners</u>				
Dividends on ordinary shares	20	(15,000)	–	(15,000)
Closing balance at 30 June 2012		10,801	1	10,800
Unaudited				
30 June 2013				
Opening balance at 1 January 2013		12,096	1	12,095
Profit for the period, representing total comprehensive income for the period		15,723	–	15,723
<u>Contributions by and distribution to owners</u>				
Dividends on ordinary shares	20	(15,000)	–	(15,000)
Closing balance at 30 June 2013		12,819	1	12,818

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT AND
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TALKMED GROUP LIMITED AND ITS SUBSIDIARY

**COMBINED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013**

(Amounts expressed in Singapore Dollars)

		Six-month period ended 30 June	
	Note	2013 \$'000 (Unaudited)	2012 \$'000 (Unaudited)
Operating activities			
Profit before tax, representing operating cash flows before changes in working capital		18,926	18,881
<u>Changes in working capital</u>			
Increase in trade and other receivables		(2,174)	(209)
Decrease in trade and other payables		(177)	(100)
Increase in accrued operating expenses		2,542	1,562
Total changes in working capital		<u>191</u>	<u>1,253</u>
Cash flows from operations		<u>19,117</u>	<u>20,134</u>
Income tax paid		(3,512)	(3,374)
Net cash flows from operating activities		<u>15,605</u>	<u>16,760</u>
Investing activity			
Purchase of plant and equipment		(2)	–
Net cash used in investing activity		<u>(2)</u>	<u>–</u>
Financing activity			
Dividends paid on ordinary shares		(15,000)	(15,000)
Net cash used in financing activity		<u>(15,000)</u>	<u>(15,000)</u>
Net increase in cash and cash equivalents		603	1,760
Cash and cash equivalents at beginning of period		<u>16,752</u>	<u>12,364</u>
Cash and cash equivalents at end of period	10	<u><u>17,355</u></u>	<u><u>14,124</u></u>

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

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**NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013**

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 activity of its subsidiary, Singapore Cancer Centre Pte. Ltd., is the provision of specialist doctors and medical staff to Parkway Cancer Centre, which is a division of Parkway Hospitals Singapore Pte. Ltd. for the provision of specialist oncology services.

1.2 *The Restructuring Exercise*

The Group undertook the transactions described below as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited (the “Restructuring Exercise”).

(a) *Incorporation of the Company*

The Company was incorporated by the shareholders of Singapore Cancer Centre Pte. Ltd. on 10 September 2013 as a private company limited by shares, with initial subscriber share capital of \$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 \$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.

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1. Corporate information (cont’d)

1.2 *The Restructuring Exercise (cont’d)*

(c) Entry into Consultancy Restatement Agreement

As part of the Restructuring Exercise, the terms of the Original Consultancy Agreement and Consultancy Supplemental Agreement 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.

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 six month period ended 30 June 2013 for the purpose of inclusion in the Offer Document are that of the Company and its subsidiary company prepared in accordance with RAP 12 Merger Accounting for Common Control Combinations for financial statements prepared under Part IX of the Fifth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005. In substance, the Group is a continuation of Singapore Cancer Centre Pte. Ltd.. Accordingly, the combined financial statements of the Group for the six month period ended 30 June 2013 have been presented as if the Group had been in existence for all periods presented and the assets and liabilities 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..

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 \$), which is the functional currency of the Group and all values in the tables are rounded to the nearest thousand (\$’000) as indicated.

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**NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (cont’d)

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 that are effective for annual 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.

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS 111 <i>Joint Arrangements</i>	1 January 2014
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 110 <i>Consolidated Financial Statements</i> , FRS 112 <i>Disclosure of Interest in Other Entities</i> and FRS 27 <i>Separate Financial Statements – Investment Entities</i>	1 January 2014
Amendments to FRS 36 <i>Recoverable Amount Disclosures for Non-financial Assets</i>	1 January 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 *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.

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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. The 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 other 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 property, plant and equipment as follows:

Furniture, fittings and renovations	2 years
Clinic equipment	2 years
Office equipment	2 years
Computers and software	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 value, 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.

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**NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (cont’d)

2.6 *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 values, 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 payment 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 is recognised in profit or loss.

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2. Summary of significant accounting policies (cont’d)

2.7 *Impairment of financial assets*

The Group assesses at each reporting date 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 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 been 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. 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.

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2. Summary of significant accounting policies (cont’d)

2.8 *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.

2.9 *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants 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”.

2.10 *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 transaction costs.

Subsequent measurement

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest 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 de-recognised 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 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.

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2. Summary of significant accounting policies (cont’d)

2.11 *Employee benefits*

Defined contribution plans

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

2.12 *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 a reduction of rental expense over the lease term on a straight-line basis.

2.13 *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 discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Consultancy services*

The Company 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.

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2. Summary of significant accounting policies (cont’d)

2.13 *Revenue (cont’d)*

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.14 *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 at 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.

(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 investments in subsidiaries, associates and interests in joint ventures, 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.

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2. Summary of significant accounting policies (cont’d)

2.14 *Taxes (cont’d)*

(b) *Deferred tax (cont’d)*

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 investments in subsidiaries, associates and interests in joint ventures, deferred 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.

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 taxes relate to the same taxable entity and the same taxation authority.

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2. Summary of significant accounting policies (cont’d)

2.14 *Taxes (cont’d)*

(c) Sales tax

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

- Where the sales tax incurred on a purchase of assets or 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 the 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.

2.15 *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.

2.16 *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.

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2. Summary of significant accounting policies (cont’d)

2.16 *Contingencies (cont’d)*

Contingent liabilities and assets are not recognised on the statement of financial position 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.

2.17 *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.
- (b) An entity is related to the Group or 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).

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3. Significant accounting estimates and judgements

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. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

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

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

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$'000	\$'000
Consultancy services	27,039	25,238

5. Other income

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$'000	\$'000
Grant income from special employment credit scheme	4	—
	4	—

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5. Other income (cont’d)

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 each month’s wages for each Singapore employee earning up to \$3,000 per month. During the six-month period ended 30 June 2013, the Company received grant income of \$4,000 (2012: Nil) under the Special Employment Credit Scheme.

6. Income tax expense

Major components of income tax expense

The major components of income tax expense for the six-month period ended 30 June 2013 and 2012 are:

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$’000	\$’000
Current income tax, representing total income tax expense recognised in profit or loss	3,203	3,198

Relationship between tax expense and profit before tax

A reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the six-month period ended 30 June 2013 and 2012 are as follows:

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$’000	\$’000
Profit before tax	18,926	18,881
Tax at the domestic tax rate of 17%	3,217	3,210
Tax effect of:		
Non-deductible expenses	42	–
Effect of partial tax exemption	(56)	(56)
Others	–	44
Income tax expense recognised in profit or loss	3,203	3,198

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7. Earnings per share

Earnings per share is calculated by dividing the Group’s net profit attributable to equity holders for the financial year by the pre-invitation share capital of the Company. The Company’s pre-invitation share capital of 552,000,000 ordinary shares were assumed to be in issue throughout the periods presented.

8. Plant and equipment

	Furniture, fittings and renovations \$’000	Clinic equipment \$’000	Office equipment \$’000	Computers and software \$’000	Total \$’000
Cost:					
(Audited)					
At 1 January 2012 and 31 December 2012	17	10	4	5	36
(Unaudited)					
At 1 January 2013	17	10	4	5	36
Additions	–	–	–	2	2
At 30 June 2013	17	10	4	7	38
Accumulated depreciation:					
(Audited)					
At 1 January 2012 and 31 December 2012	17	10	4	5	36
(Unaudited)					
At 1 January 2013	17	10	4	5	36
Depreciation charge for the period	–	–	–	–*	–*
At 30 June 2013	17	10	4	5	36
Net carrying amount:					
At 31 December 2012	–	–	–	–	–
At 30 June 2013	–	–	–	2	2

* Amount is less than \$1,000.

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9. Trade and other receivables

	30 June 2013 \$'000 (Unaudited)	31 December 2012 \$'000 (Audited)
Trade receivables	8,208	6,036
Amount due from a company wholly-owned by a director (non-trade)	1	–
Total trade and other receivables	8,209	6,036
Add: Cash and cash equivalents (Note 10)	17,355	16,752
Total loans and receivables	25,564	22,788

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.

Amount due from a company wholly-owned by a director (non-trade)

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

Receivables that are past due but not impaired

The Group does not have trade receivables (31 December 2012: Nil) that are past due at the end of the reporting period but not impaired.

10. Cash and cash equivalents

	30 June 2013 \$'000 (Unaudited)	31 December 2012 \$'000 (Audited)
Cash at banks and on hand	17,355	16,752

Cash at banks does not earn interest. There were no cash and cash equivalents denominated in foreign currencies as at 30 June 2013 and 31 December 2012.

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11. Other payables

	30 June 2013 \$'000 (Unaudited)	31 December 2012 \$'000 (Audited)
GST payable	528	745
Amount due to a company wholly-owned by a director (non-trade)	–	1
Amount due to director (non-trade)	56	14
Total other payables	584	760
Add: Accrued operating expenses	5,957	3,416
Less: GST payable	(528)	(745)
Total financial liabilities carried at amortised cost	<u>6,013</u>	<u>3,431</u>

Amount due to a company wholly-owned by a director (non-trade) and amount due to director (non-trade)

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

12. Share capital

	30 June 2013 No. of shares '000	\$'000	31 December 2012 No. of shares '000	\$'000
Issued and fully paid ordinary shares				
At beginning and end of the year/period	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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

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12. Share capital (cont’d)

Subsequent to 30 June 2013, 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 \$2,312,356. 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. Accordingly, the pre-invitation share capital comprises 552,000,000 ordinary shares amounting to \$2,313,356.

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.

13. Employee benefits

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$’000	\$’000
Employee benefits expense (including directors):		
Salaries and bonuses	4,984	4,394
Central Provident Fund contributions	219	191
Other short-term benefits	70	65
At 30 June	<u>5,273</u>	<u>4,650</u>

14. Related party transactions

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 during the financial period on terms agreed between the parties:

(i) Sale and purchase of goods and services

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$’000	\$’000
Operating lease expense paid to a company wholly-owned by a director	<u>101</u>	<u>101</u>

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14. Related party transactions (cont’d)

(i) *Sale and purchase of goods and services (cont’d)*

In addition, certain companies in which certain directors of the Company 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 \$115,800 (2012: nil) and was taken into account in the determination of revenue from consultancy services.

(ii) *Compensation of key management personnel*

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$’000	\$’000
Short-term employee benefits	2,792	2,763
Central Provident Fund contributions	19	18
	<u>2,811</u>	<u>2,781</u>
<i>Comprises amounts paid to:</i>		
Directors of the Company	2,779	2,781
Key management personnel	32	–
	<u>2,811</u>	<u>2,781</u>

15. Commitments

Operating lease commitments – as lessee

The Group has entered into commercial operating lease on certain clinic centres. These leases have an average terms ranging from 1 to 3 years with no renewal option and no 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 six-month period ended 30 June 2013 and 2012 amounted to \$143,000 and \$162,000 respectively.

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15. Commitments (cont’d)

Operating lease commitments – as lessee (cont’d)

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

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$’000	\$’000
Not later than one year	286	89
Later than one year but not later than five years	398	112
	<u>684</u>	<u>201</u>

16. Fair value of financial instruments

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

Trade and other receivables (Note 9), Amount due to a company wholly-owned by a director/Amount due to director (Note 11) and accrued operating expenses

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

17. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include 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 exposures to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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17. Financial risk management objectives and policies (cont’d)

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 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.

Excessive risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group’s performance to developments affecting a particular industry.

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.

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.

Credit risk concentration profile

The Group has only one trade debtor and the carrying amounts of trade receivable are due from this trade debtor for the financial period/year ended 30 June 2013 and 31 December 2012 respectively.

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 or companies with high credit ratings and no history of default.

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17. Financial risk management objectives and policies (cont’d)

(a) Credit risk (cont’d)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 (Trade and other receivables).

(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’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group funds its operations through profits generated from operations as well as from their existing cash and bank balances.

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.

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 each reporting period based on contractual undiscounted repayment obligations.

	One year or less \$’000	One to five years \$’000	Total \$’000
30 June 2013			
<i>Financial assets</i>			
Trade and other receivables	8,209	–	8,209
Cash and cash equivalents	17,355	–	17,355
Total undiscounted financial assets	25,564	–	25,564
<i>Financial liabilities</i>			
Other payables	56	–	56
Accrued operating expenses	5,957	–	5,957
Total undiscounted financial liabilities	6,013	–	6,013
Total net undiscounted financial assets	19,551	–	19,551

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17. Financial risk management objectives and policies (cont’d)

(b) Liquidity risk (cont’d)

	One year or less \$’000	One to five years \$’000	Total \$’000
31 December 2012			
<i>Financial assets</i>			
Trade and other receivables	6,036	–	6,036
Cash and cash equivalents	16,752	–	16,752
Total undiscounted financial assets	22,788	–	22,788
<i>Financial liabilities</i>			
Other payables	15	–	15
Accrued operating expenses	3,416	–	3,416
Total undiscounted financial liabilities	3,431	–	3,431
Total net undiscounted financial assets	19,357	–	19,357

18. 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, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period/year ended 30 June 2013 and 31 December 2012 respectively.

19. 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.

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20. Dividends

	Unaudited for the six-month period ended 30 June	
	2013	2012
	\$'000	\$'000
Declared and paid during the financial period:		
<i>Dividends on ordinary shares:</i>		
– 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
	<u>15,000</u>	<u>15,000</u>

Subsequent to 30 June 2013, the following dividends were declared:–

Dividends on ordinary shares:

- Third interim exempt (one-tier) dividend for 2013: \$7,500 (2012: \$7,500) per share
- Fourth interim exempt (one-tier) dividend for 2013: \$5,000 (2012: \$7,500) per share

The dividends have been declared by Singapore Cancer Centre Pte. Ltd. to its then existing shareholders prior to the Restructuring Exercise. The dividend per share is calculated based on the number of ordinary shares of Singapore Cancer Centre Pte. Ltd. in issue as at date of dividend declaration.

21. Authorisation of the financial statements for issue

The unaudited interim combined financial statements for the six-month period ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 17 January 2014.

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

The following statements are brief summaries of the rights and privileges of Shareholders conferred by the laws of Singapore and the Articles of our Company. These statements summarise the material provisions of the Articles but are qualified in entirety by reference to the Articles.

Ordinary Shares

There are no founder, management, deferred or unissued shares reserved for issue for any purpose. We have only one class of shares, namely, our ordinary shares which have identical rights in all respects and rank equally with one another. All of the ordinary shares are in registered form. Our Company may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase its Shares. However, it may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of its own Shares.

New Shares

New Shares may only be issued with the prior approval in a general meeting of our Shareholders. The aggregate number of Shares to be issued pursuant to such approval may not exceed 100% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of shares to be issued other than on a *pro rata* basis to our Shareholders shall not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being (the percentage of issued share capital being based on our issued Shares at the time such authority is given after adjusting for new Shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or sub-division of Shares). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier but any approval may be previously revoked or varied by our Company in general meeting. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board who may allot and issue the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered in the register of Shareholders of our Company and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. Our Company will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. Our Company may close the register of Shareholders for any time or times if it provides the SGX-ST at least 10 clear Market Days' notice. However, the register of Shareholders may not be closed for more than 30 days in aggregate in any calendar year. Our Company typically closes the register of Shareholders to determine Shareholders' entitlement to receive dividends and other distributions.

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Listing Manual or the rules or by-laws of any stock exchange on which our Company is listed. Our Board may decline to register any transfer of Shares which are not fully paid Shares, or Shares on which our Company has a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed.

Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as it may require. Our Company will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Board may require.

General Meetings of Shareholders

Our Company is required to hold an annual general meeting every year. Our Board may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10% of the issued share capital of our Company (excluding treasury shares) may call a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum and our Articles, a change of the corporate name and a reduction in the share capital. Our Company must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to every Shareholder who has supplied our Company with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Articles, on a show of hands, every Shareholder present in person and by proxy shall have one vote, and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder or Shareholders present in person or by proxy and representing not less than 10% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by not less than two Shareholders present in person or by proxy and entitled to vote. In the case of an equality of vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

Dividends

Our Company may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by our Board. Our Company must pay all dividends out of its profits. Our Board may also declare an interim dividend without the approval of our Shareholders. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Share, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issues

Our Board may, with approval by our Shareholders at a general meeting, capitalise any reserves or profits and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which our Company is listed.

Take-overs

Under the Singapore Code on Take-overs and Mergers (“**Singapore Take-over Code**”), issued by the Authority pursuant to section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting Shares must extend a take-over offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting rights acquires additional voting shares representing more than 1% of the voting shares in any six month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

(a) the following companies:

- (i) a company;
- (ii) the parent company of (i);
- (iii) the subsidiaries of (i);
- (iv) the fellow subsidiaries of (i);
- (v) the associated companies of (i), (ii), (iii) or (iv);
- (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
- (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10% or more of the customer's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six months.

Liquidation or Other Return of Capital

If our Company is liquidated or in the event of any other return of capital, holders of Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

Indemnity

As permitted by Singapore law, our Articles provide that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by our Company against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgment is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. Our Company may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to our Company.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Take-overs” above, there are no limitations imposed by Singapore law or by our Articles on the rights of non-resident Shareholders to hold or vote in respect of our Shares.

Minority Rights

The rights of minority Shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any Shareholder of our Company, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder’s shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
- (e) provide that our Memorandum or our Articles be amended; or
- (f) provide that we be wound up.

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APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides a summary of the principal objects of our Company as set out in our Articles. This discussion is only a summary and is qualified by reference to our Articles.

1. Directors

(a) Ability of interested directors to vote

A director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he has any personal material interest, and he shall not be counted in the quorum present at the meeting.

(b) Remuneration

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of the Company) as shall from time to time be determined by the Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services outside the ordinary duties of a Director, may be paid extra remuneration by way of salary or otherwise (not being a commission or percentage of turnover by the company), as the Directors may determine.

The remuneration of a Managing Director, Chief Executive Officer, President, Vice-President, Deputy Managing Director or persons holding equivalent positions shall be fixed by the Directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover.

The Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pension or other benefits, to contribute to any scheme or fund or to pay premiums.

The Directors shall not vote in respect of any contract or proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall also not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(c) Borrowing

Subject to our Articles and to applicable laws, our Directors may exercise all the powers of our Company to raise or borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to secure any debt, liability or obligation of our Company.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

(d) Retirement age limit

There is no retirement age limit for Directors under our Articles. Section 153(1) of the Companies Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company, unless he is appointed or re-appointed as a director of the company or authorised to continue in office as a director of the company by way of an ordinary resolution passed at an annual general meeting of the company.

(e) Shareholding qualification

There is no shareholding qualification for Directors in the Articles of the Company.

2. Share rights and restrictions

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of shareholders and in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the ordinary shares, are recognised as our Shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we shall not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits; however, we may capitalise any sum standing to the credit of any of our Company's reserve accounts or other distributable reserve or any sum standing to the credit of profit and loss account and apply it to pay dividends, if such dividends are satisfied by the issue of shares to our Shareholders. All dividends are paid *pro-rata* amongst our shareholders in proportion to the amount paid up on each shareholder's ordinary shares, unless the rights attaching to an issue of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company. Any dividend unclaimed after a period of six years after having been declared may be forfeited and shall revert to the Company but the Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled prior to the forfeiture.

The Directors may retain any dividends or other moneys payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

(b) Voting rights

A holder of our ordinary shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the Depository Register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every shareholder present in person and by proxy shall have one vote and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or presents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our Shareholders' approval by way of a special resolution for any reduction of our share capital or other undistributable reserve, subject to the conditions prescribed by law.

4. Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total voting rights of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the total voting rights of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total voting rights of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

The relevant Article does not impose more significant conditions than the Companies Act in this regard.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Articles on the rights of our Shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

APPENDIX E – TAXATION

The summary below of certain taxes in Singapore that may be applicable to our operations in Singapore are of a general nature. The summary is based on laws, regulations, interpretations, rulings and decisions in effect as at the Latest Practicable Date. These laws, regulations, interpretations, rulings and decisions, however, may change at any time, and any change could be retrospective. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the comments herein.

The summary is not intended to constitute a complete analysis of the taxes mentioned nor of all the taxes that may be applicable to our operations in Singapore. It is not intended to be and does not constitute legal or tax advice.

Shareholders should consult their own tax advisors regarding taxation in Singapore and other consequences of owning and disposing of the Shares. It is emphasised that neither the Company, the Directors nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

Singapore Income Tax

Corporate income tax

Singapore imposes tax on a modified territorial basis i.e. income is subject to tax only when it is accrued in or derived from Singapore (i.e. Singapore-sourced) and when it is received in Singapore from outside Singapore (i.e. foreign-sourced income received or deemed received in Singapore). This applies to both resident and non-resident companies.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on foreign-sourced income received or deemed received in Singapore, unless otherwise exempted. Foreign-sourced income in the form of branch profits, dividends and service fee income (“**specified foreign income**”) received or deemed received in Singapore by a Singapore tax resident company are exempted from Singapore tax provided certain qualifying conditions are met.

A company is regarded as a tax resident in Singapore if the control and management of the company’s business is exercised in Singapore. In general, control and management of the company is vested in its board of directors and the place of residence of the company is generally where its directors meet.

The prevailing corporate income tax rate in Singapore is 17% with the first S\$300,000 of chargeable income of a company being partially exempt from tax as follows:

- (a) 75% of the first S\$10,000 of chargeable income; and
- (b) 50% of the next S\$290,000 of chargeable income.

For the Years of Assessment (“YA”) 2013 to 2015, companies will be granted a 30% corporate income tax rebate capped at \$30,000 for each YA.

APPENDIX E – TAXATION

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received by a Singapore tax resident individual is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore. Certain Singapore-sourced investment income received or deemed received by individuals is also exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 20%, after deductions of qualifying personal reliefs where applicable. All resident individual taxpayers will be given a personal income tax rebate for the tax payable for YA2013. The rate of tax rebate granted depends on the age of the resident individual as at 31 December 2012, subject to a cap of S\$1,500:

- (a) 30% for resident individuals aged below 60; and
- (b) 50% for resident individuals aged 60 and above.

A non-Singapore tax resident individual is generally taxed at the tax rate of 20% except that Singapore employment income is taxed at a flat rate of 15% or at progressive resident rates, whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Dividend Distributions

Under the one-tier corporate tax system, the tax paid by a resident company is a final tax and the distributable profits of the company can be paid to shareholders as tax exempt (one-tier) dividends, regardless of the tax residence status or the legal form of the shareholders. However, foreign shareholders receiving tax exempt (one-tier) dividends are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. In general, gains or profits derived from the disposal of our Shares acquired for long-term investment purposes are considered as capital gains and not subject to Singapore tax.

On the other hand, where such gains or profits arise from activities which the Comptroller of Income Tax regards as the carrying on of a trade or business of dealing in shares in Singapore, gains or profits will be taxed as income.

APPENDIX E – TAXATION

Gains derived by a resident company from the disposal of ordinary shares, made during the period 1 June 2012 to 31 May 2017 (both dates inclusive), are not taxable if immediately prior to the date of the disposal, the divesting company had held at least 20% of the ordinary share capital of the company in the investment for a continuous period of at least 24 months.

Bonus Shares

Any bonus shares received by our Shareholders are not taxable.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of S\$0.20 for every S\$100 or any part thereof, computed on the consideration paid or market value of our Shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Goods and Services Tax

The sale of our Shares by a GST-registered investor to another person belonging in Singapore is an exempt supply that is not subject to GST.

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Subject to the normal rules for input tax recovery, any GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him is recoverable from the Comptroller of GST as input tax.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the current rate of 7%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate Duty

With effect from 15 February 2008, no estate duty will be leviable in respect of deaths occurring on or after 15 February 2008.

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APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

You are invited to apply and subscribe for the New Shares at the Issue Price for each New Share subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 NEW SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**

2. Your application for the New Shares may only be made by way of printed Application Forms.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE NEW SHARES.

3. **You (not being an approved nominee company) are allowed to submit only one application in your own name for the New Shares.**

If you, being other than an approved nominee company, have submitted an application for New Shares in your own name, you should not submit any other application for New Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Sponsor and the Placement Agent.

Joint and multiple applications for the New Shares shall be rejected. If you submit or procure submissions of multiple share applications for the New Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company, the Sponsor and the Placement Agent.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.
6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

8. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Forms and in this Offer Document or with the terms and conditions of this Offer Document or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company with regards hereto will be entertained. In deciding the basis of allotment, which shall be at our discretion, due consideration will be given to the desirability of allotting the New Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
11. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of New Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the New Shares allotted to you.
12. In the event of an over-subscription for New Shares as at the close of the Application List, the successful applications for New Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Sponsor and the Placement Agent and approved by the SGX-ST.

In all the above instances, the basis of allotment of the New Shares as may be decided by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public as soon as practicable via an announcement through the SGX-ST and through an advertisement in a local newspaper.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

13. You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allotted to you pursuant to your application, to us, the Sponsor, and the Placement Agent and any other parties so authorised by the foregoing persons.
14. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the New Shares through the Placement Agent or its designated sub-placement agent.
15. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price for each New Share and agree that you will accept such New Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Memorandum and Articles of our Company for application;
 - (b) agree that the aggregate Issue Price for the New Shares applied for is due and payable to the Company upon application;
 - (c) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any New Shares to you; and
 - (d) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor and the Placement Agent will infringe any such laws as a result of the acceptance of your application.
16. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
 - (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares and the New Shares on a “when-issued” basis on Catalist;
 - (b) the Sponsorship and Management Agreement and the Placement Agreement referred to in the section entitled “Sponsorship, Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (c) the SGX-ST, acting as an agent on behalf of the Authority, has not served a stop order (“Stop Order”) which directs that no or no further shares to which this Offer Document relates be allotted.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

17. In the event that a Stop Order in respect of the New Shares is served by the SGX-ST, acting as an agent on behalf of the Authority, and
- (a) in the case where the New Shares have not been issued, all applications shall be deemed to have been withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application of the New Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or
 - (b) in the case where the New Shares have already been issued, the issue of the New Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, refund (at your own risk) all monies paid on account of your application for the New Shares (without interest or any share of revenue or other benefit arising therefrom).

This shall not apply where only an interim Stop Order has been served.

18. In the event that an interim Stop Order in respect of the New Shares is served by the SGX-ST, acting as an agent on behalf of the Authority, or other competent authority, no New Shares shall be issued to you during the time when the interim Stop Order is in force.
19. The SGX-ST, acting as an agent on behalf of the Authority, is not able to serve a Stop Order in respect of the New Shares if the New Shares have been issued, listed for quotation on a securities exchange and trading in the New Shares has commenced.
20. We will not hold any application in reserve.
21. We will not allot Shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.
22. Additional terms and conditions for applications by way of Application Forms are set out on pages F-5 to F-7 of this Offer Document.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out under the section entitled “Terms, Conditions and Procedures for Applications” of this Offer Document, as well as the Memorandum and Articles of our Company.

1. Your application for the New Shares must be made using the **BLUE** Application Forms and **BLUE** official envelopes, accompanying and forming part of this Offer Document.

We draw your attention to the detailed instructions contained in the Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as it appears in your identity cards (if you have such an identification document) or in your passports and, in the case of a corporation, in your full name as registered with a competent authority. If you are a non-individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporation.

6. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**TALKMED GROUP LIMITED – SHARES ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company, the Sponsor or the Placement Agent for applications and application monies received.
7. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Sponsorship and Management Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within five Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by the SGX-ST, acting as an agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
8. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
9. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor, the Placement Agent and/or any other party involved in the Invitation, and if, in any such event, our Company, the Sponsor and/or the Placement Agent does not receive your Application

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

Form, you shall have no claim whatsoever against our Company, the Sponsor, and the Placement Agent and/or any other party involved in the Invitation for the New Shares applied for or for any compensation, loss or damage.

10. By completing and delivering the Application Form, you agree that:

- (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 27 January 2014** or such other time or date as our Company may, in consultation with the Sponsor and the Placement Agent, decide:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
- (b) neither our Company, the Sponsor, the Placement Agent nor any other party involved in the Invitation shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
- (c) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (d) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor, the Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
- (g) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Sponsor, the Placement Agent or other authorised operators; and
- (h) you irrevocably agree and undertake to subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot and/or allocate a smaller number of New Shares or not to allot and/or allocate any New Shares to you, you agree to accept such decision as final.

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