



TALKMED GROUP LIMITED

("TalkMed" or the "Company")

7th Annual General Meeting
20 April 2020

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Agenda

**Financial
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Business and
corporate update



Summary and
outlook





PERFORMANCE REVIEW FOR THE GROUP⁽¹⁾

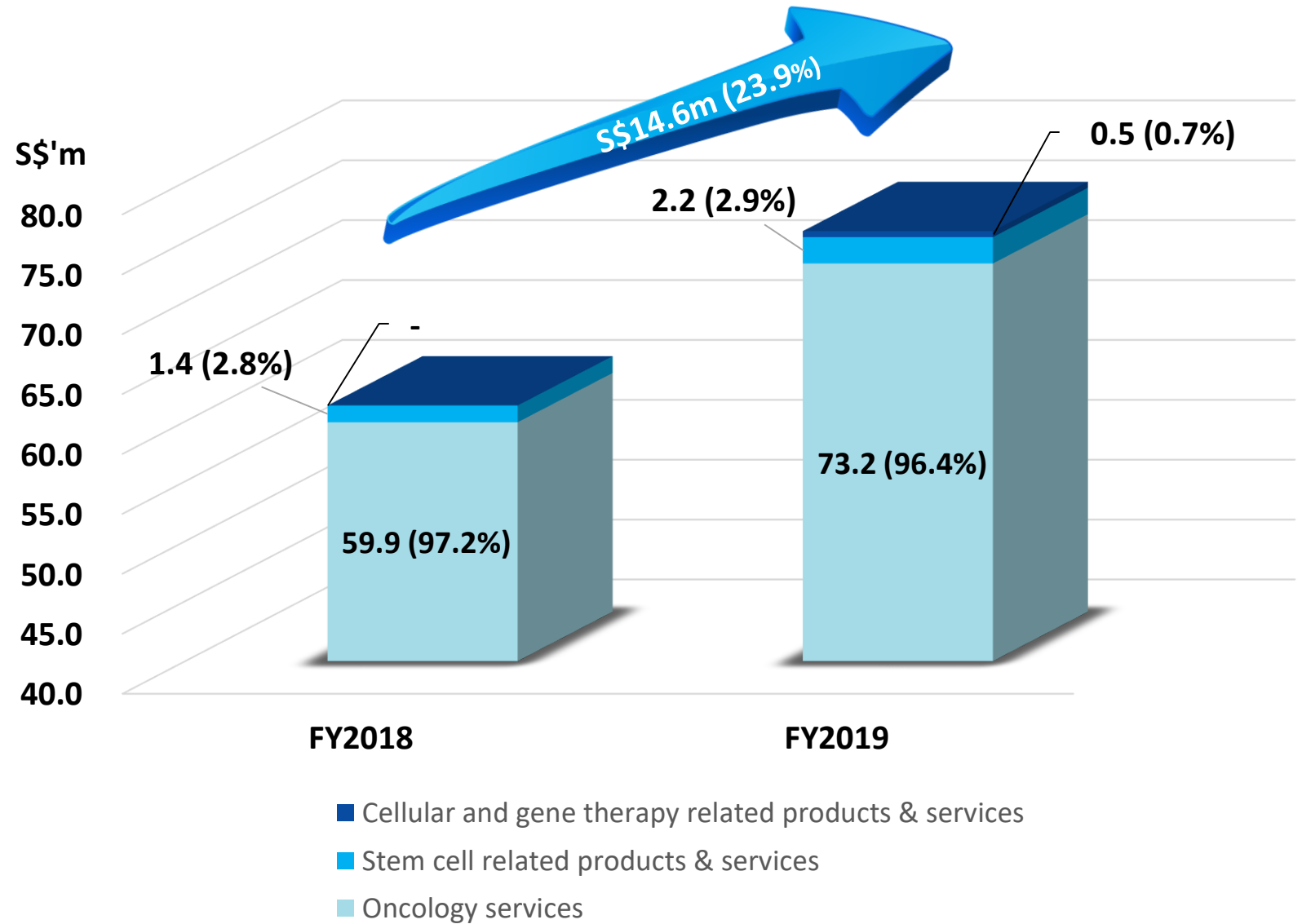
For the year ended	31 Dec 2019 ("FY2019") S\$'m	31 Dec 2018 ("FY2018") S\$'m	% Increase/ (decrease)
Revenue	75.92	61.28	23.9%
Interest income	1.31	0.98	33.7%
Other income	0.07	0.10	(30.0%)
Operating expenses	(34.51)	(27.09)	27.4%
Finance costs	(0.39)	(0.13)	200%
Share of loss of associate	(1.05)	(1.14)	(7.9%)
Profit before tax	41.35	34.00	21.6%
Income tax expense	(8.54)	(6.79)	25.8%
Profit after tax ("PAT")	32.81	27.21	20.6%

⁽¹⁾ Defined as the Company, its subsidiaries and associate company



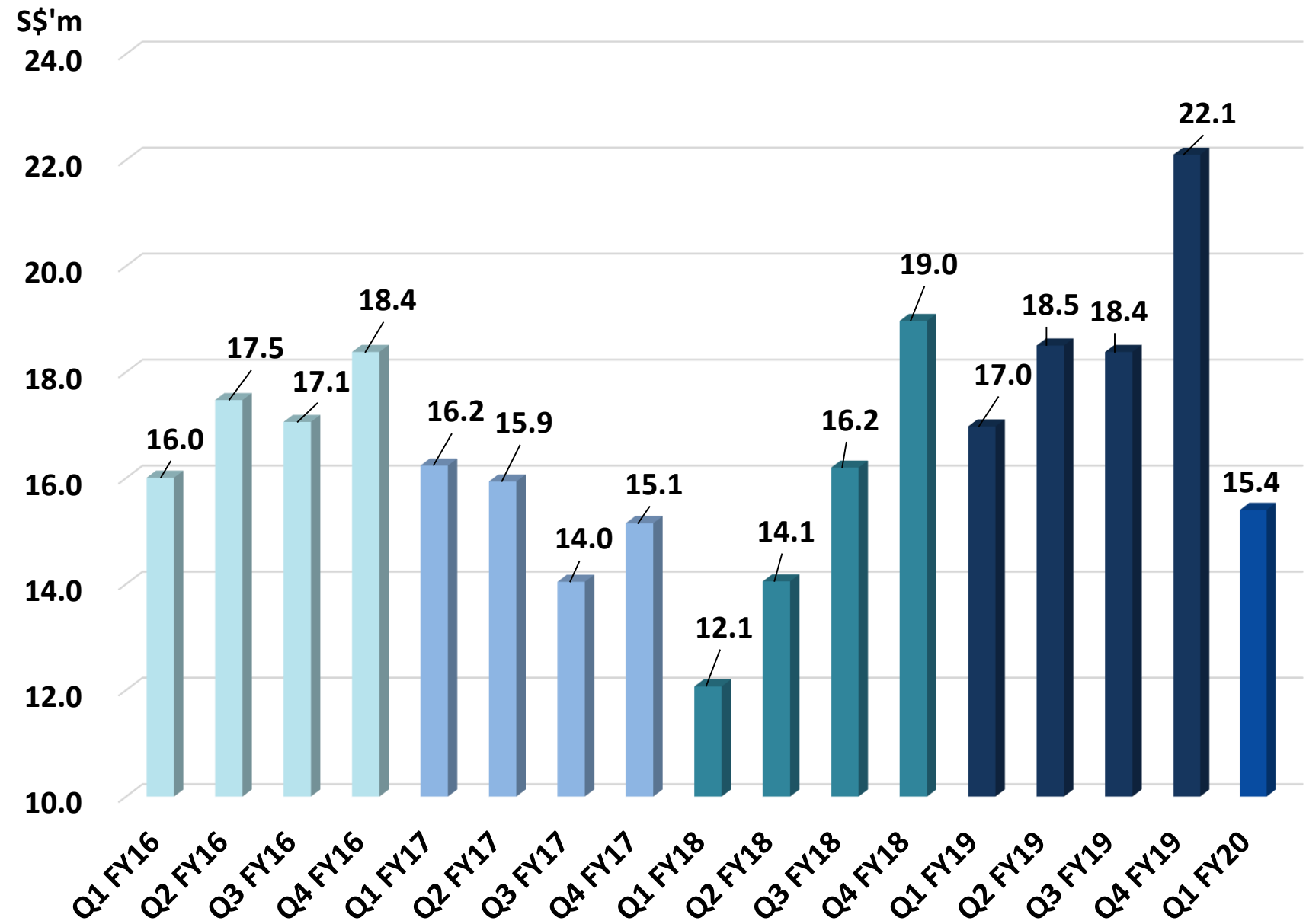
REVENUE BREAKDOWN

– FY2019 vs FY2018



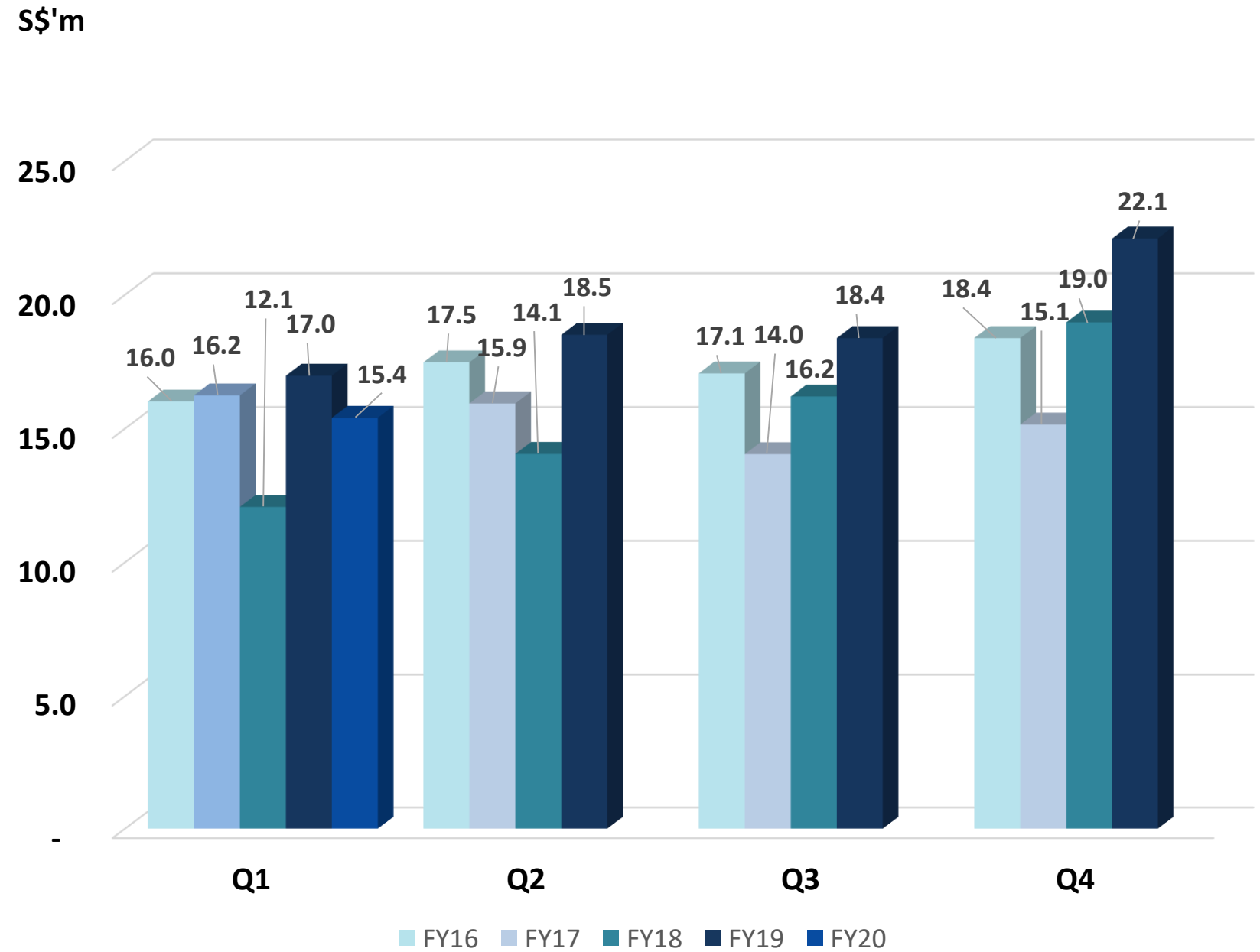


QUARTERLY REVENUE



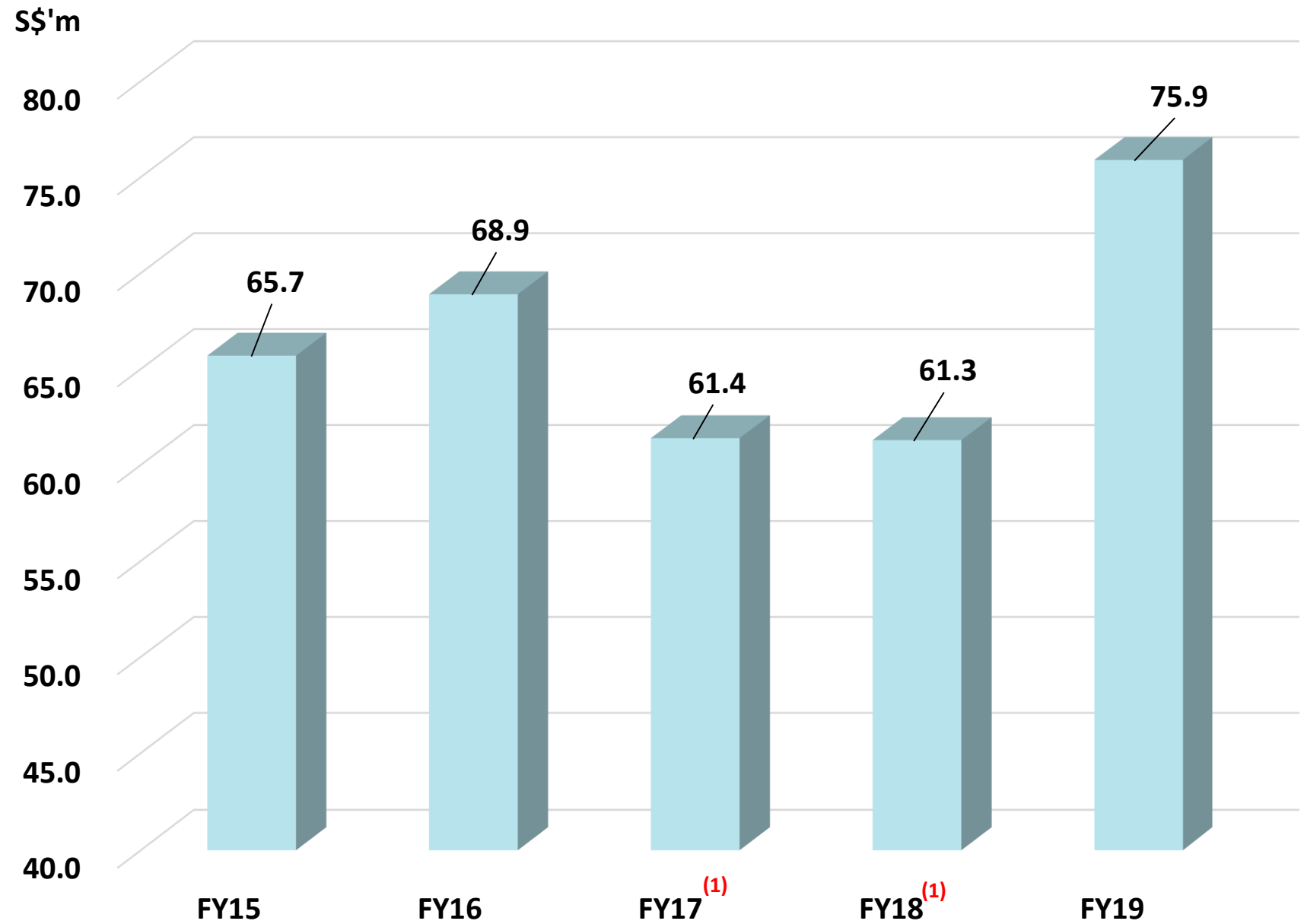


QUARTERLY REVENUE (Cont'd)





YEARLY REVENUE

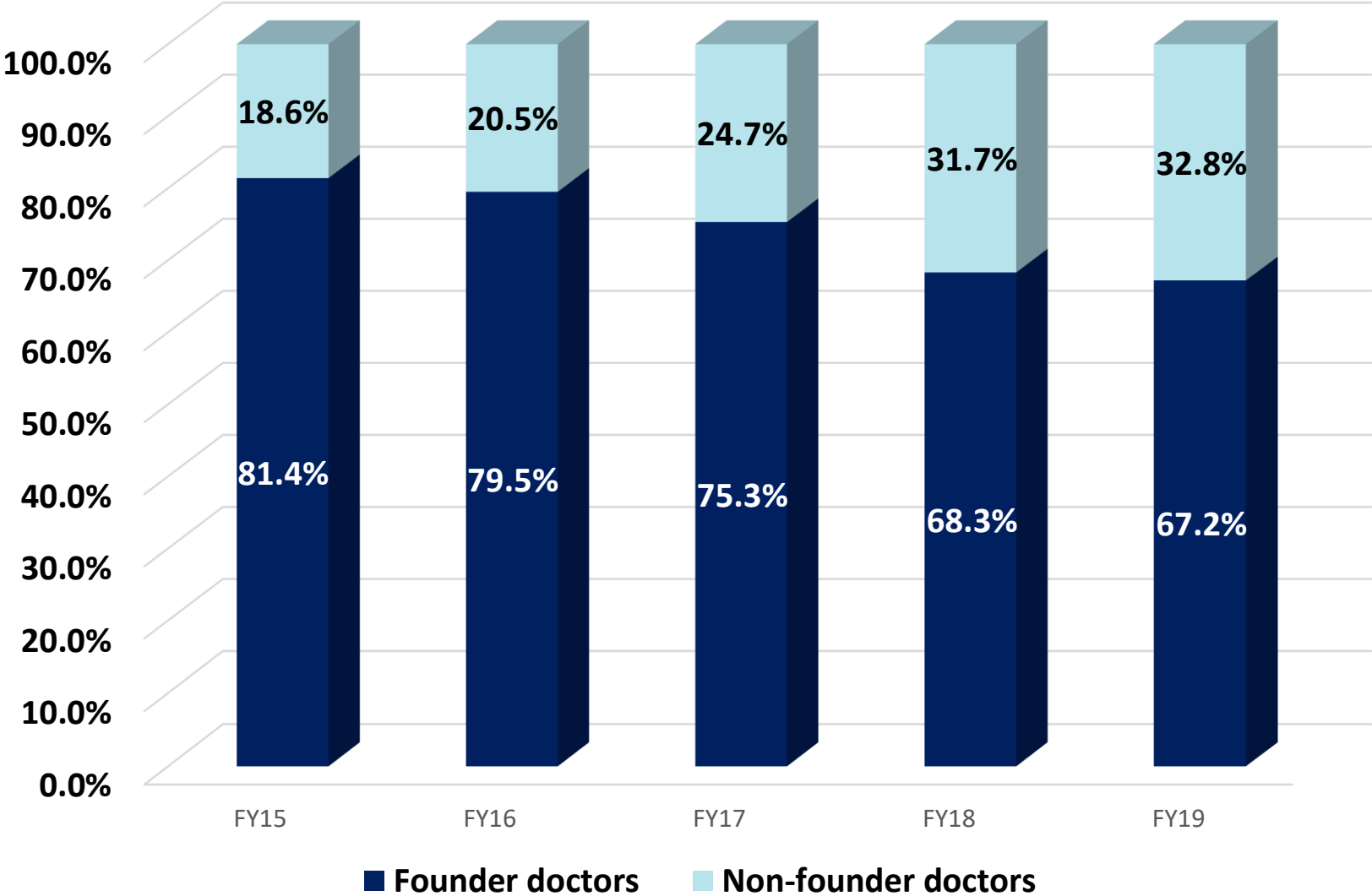


⁽¹⁾ Dr Ang was suspended from 25 July 2017 to 25 March 2018



ESTIMATED REVENUE CONTRIBUTION (%)

– Founder doctors vs
non-founder doctors





OPERATING EXPENSES FOR THE GROUP

For the year ended	FY2019 S\$'m	FY2018 S\$'m	% Increase/ (decrease)
Employee benefits expense	(25.15)	(20.47)	22.9%
Cost of share-based payments to employees	(0.22)	(0.54)	(59.3)%
Operating lease expense	(0.04)	(1.90)	(97.9%)
Depreciation of right-of-use assets	(1.96)	-	N.M
Depreciation of plant and equipment	(1.46)	(0.37)	294.6%
Other operating expenses	(5.68)	(3.81)	49.1%
Total operating expenses	(34.51)	(27.09)	27.4%

N.M = Not meaningful



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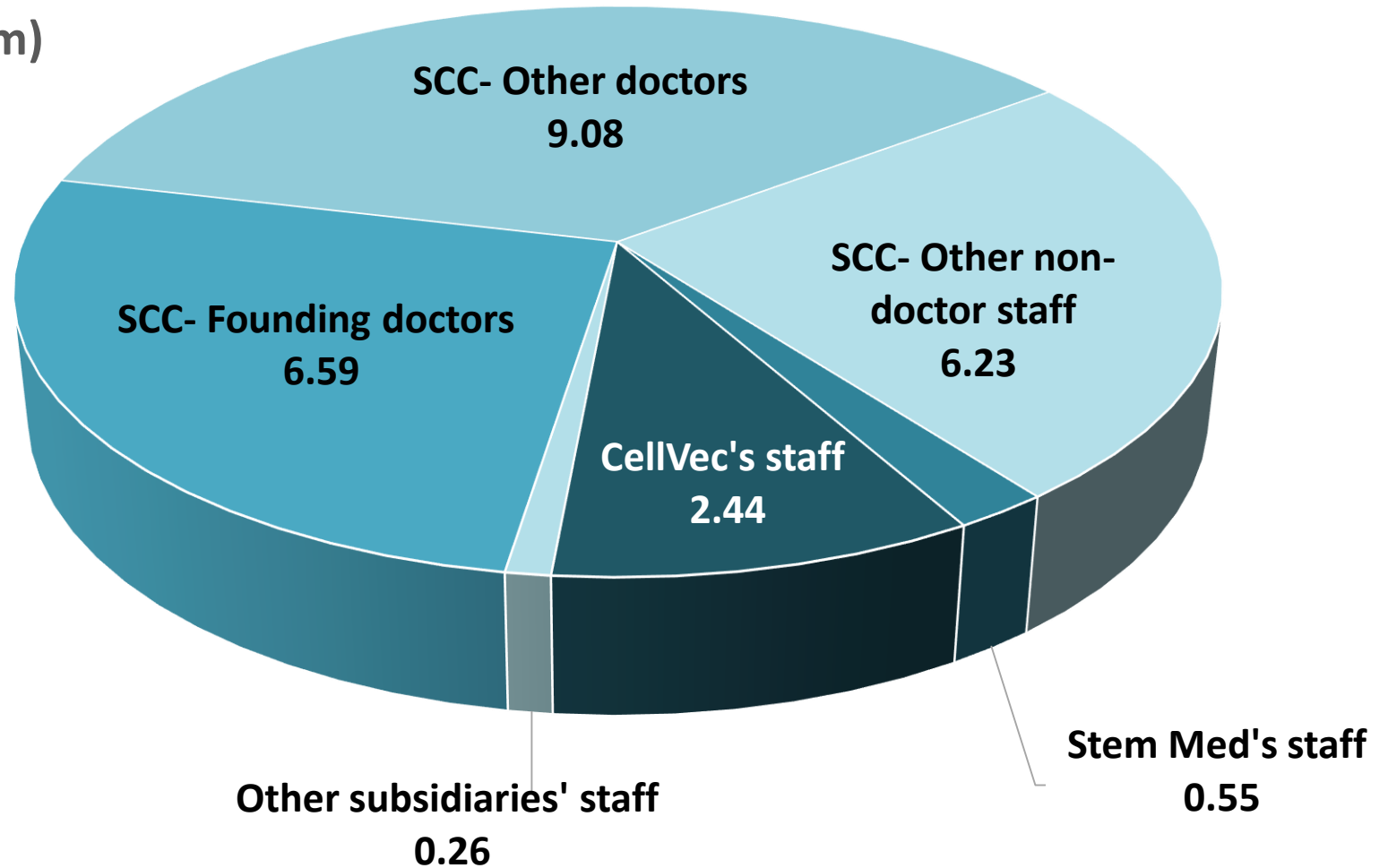


EMPLOYEE BENEFITS EXPENSE FOR THE GROUP

– By Entities

FY2019 (Total: S\$25.15m)

(In S\$'m)



SCC- Singapore Cancer Centre Pte. Ltd.

Stem Med- Stem Med Pte. Ltd.

CellVec- CellVec Pte. Ltd.

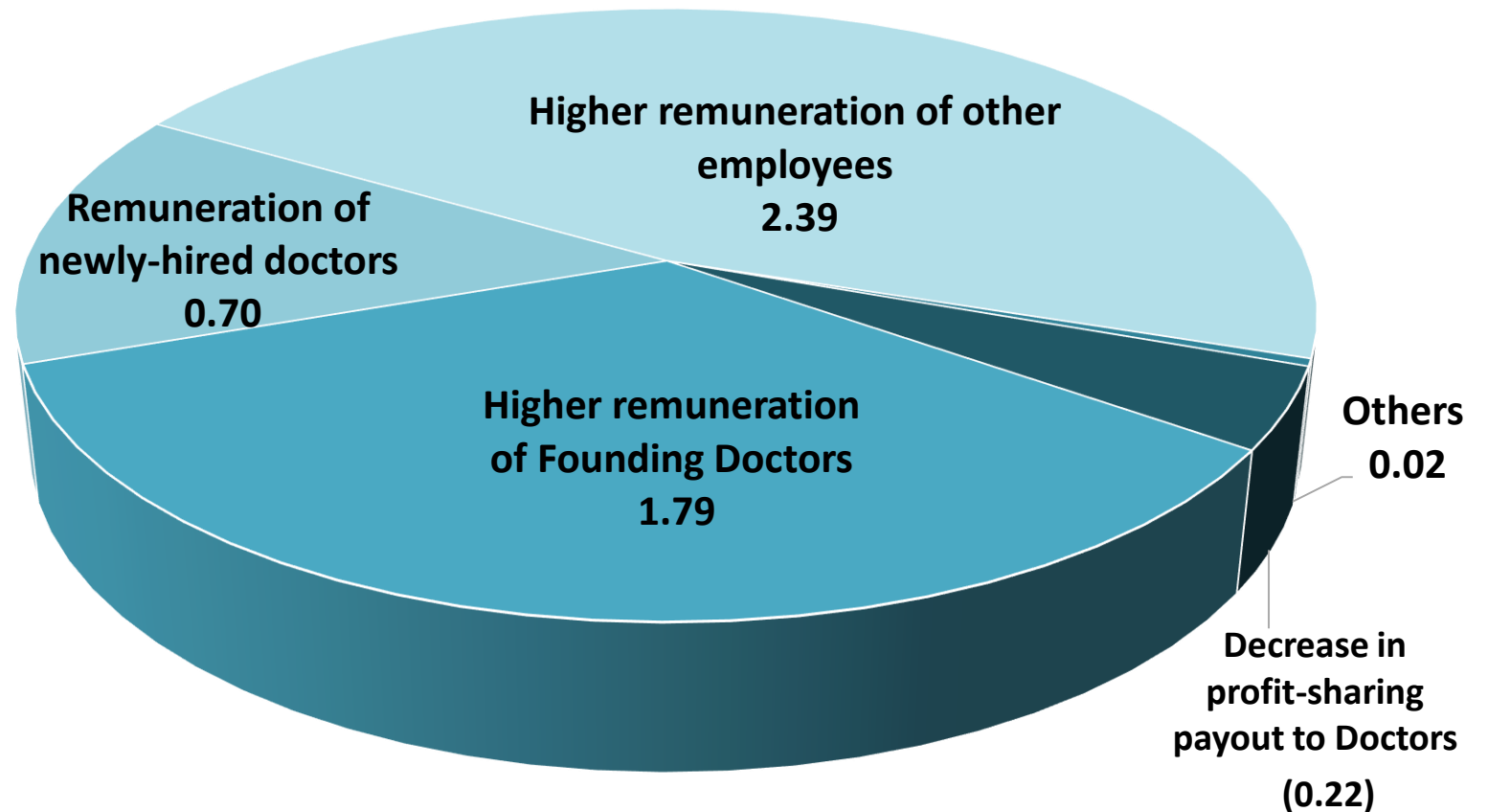


EMPLOYEE BENEFITS EXPENSE FOR THE GROUP

– FY2019 vs FY2018

FY2019 vs FY2018: Increase of S\$4.68m
(see below for breakdown)

(In S\$'m)



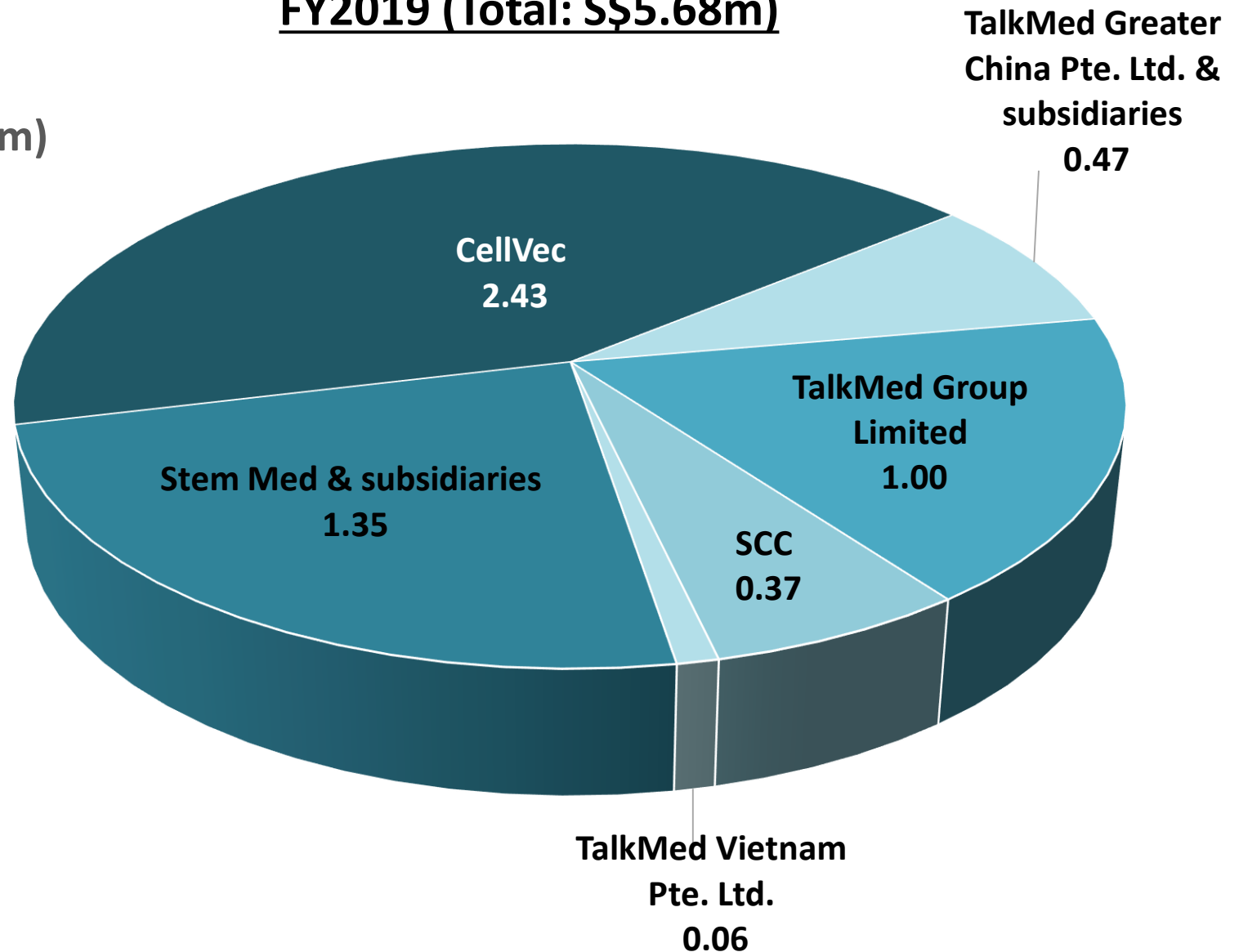


OTHER OPERATING EXPENSES FOR THE GROUP

– By Entities

(In S\$'m)

FY2019 (Total: S\$5.68m)



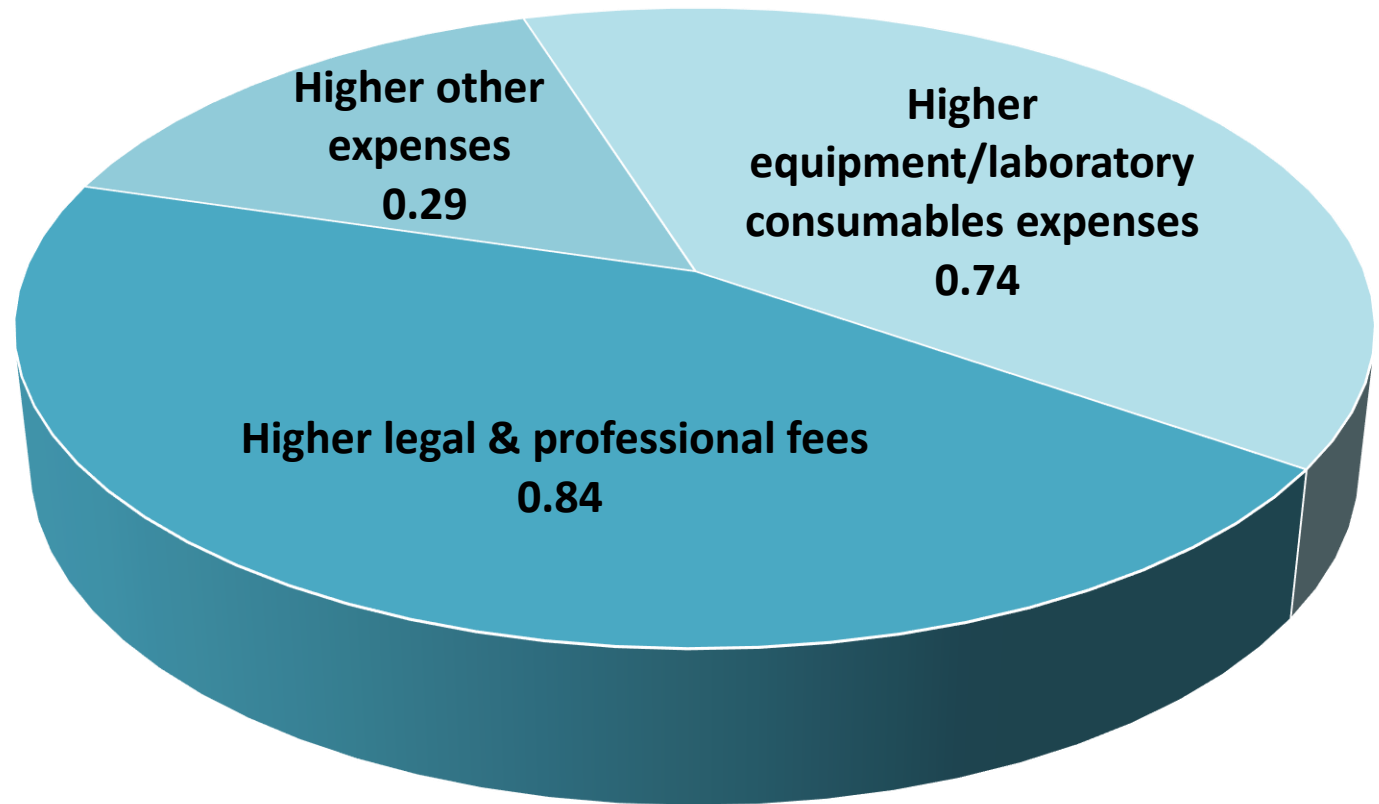


OTHER OPERATING EXPENSES FOR THE GROUP

– FY2019 vs FY2018

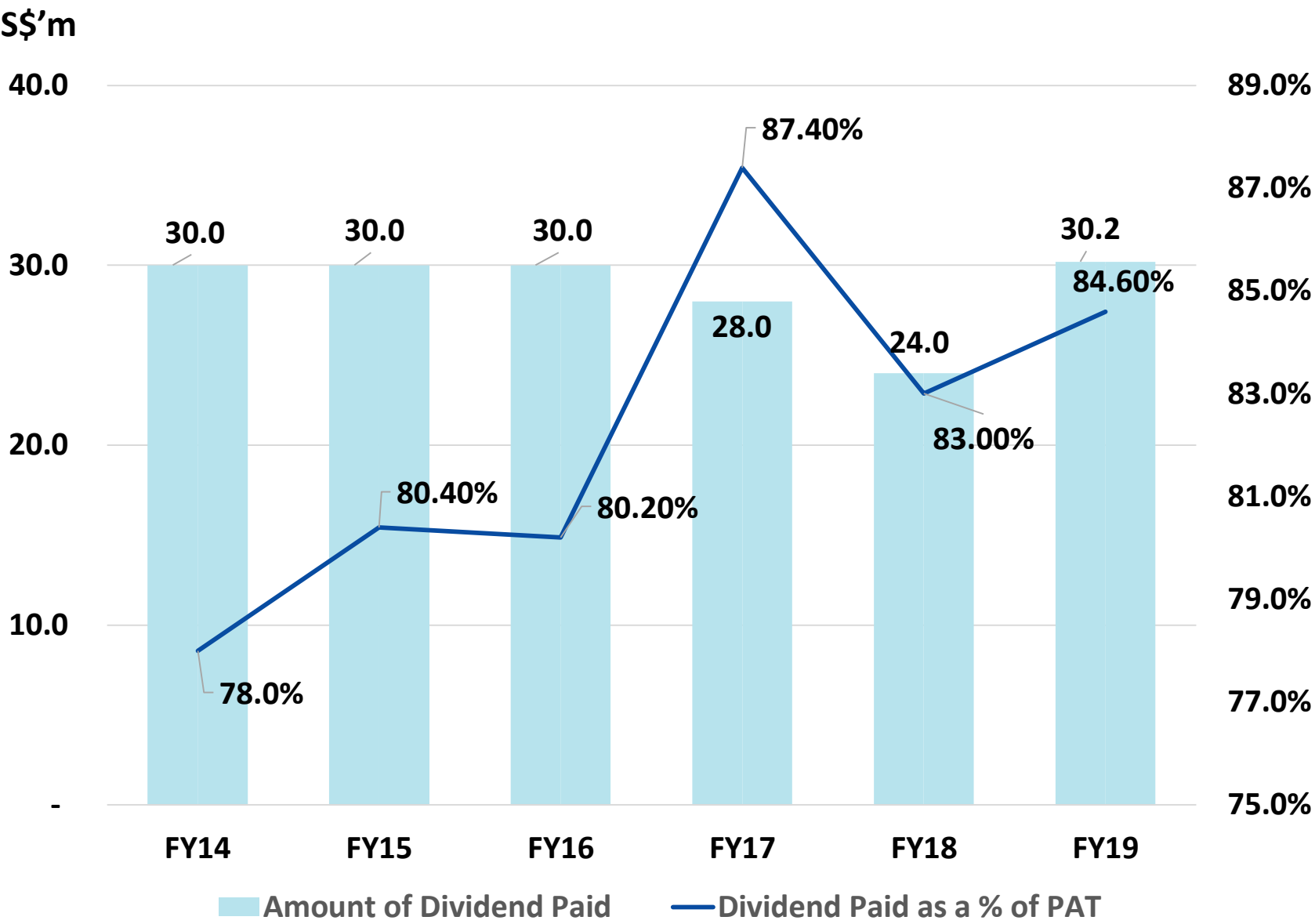
FY2019 vs FY2018: Increase of S\$1.87m
(see below for breakdown)

(In S\$'m)



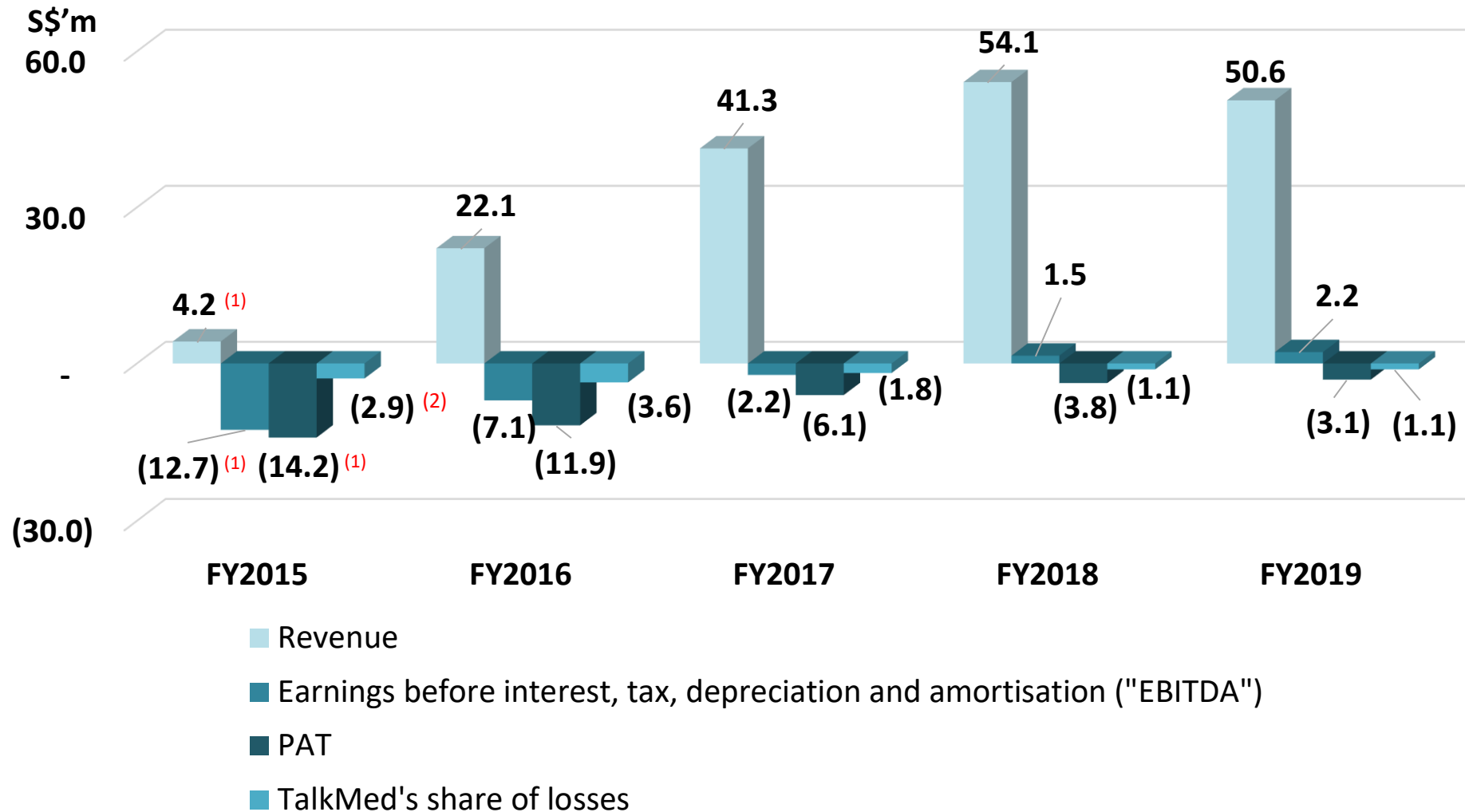


DIVIDENDS





HONG KONG INTEGRATED ONCOLOGY CENTRE HOLDINGS LIMITED ("HKH")



⁽¹⁾ For the period from 22 September 2014 to 31 December 2015

⁽²⁾ On 9 June 2015, TalkMed entered into a collaboration agreement in relation to the investment in HKH and accordingly, took up the losses in HKH for the period from 9 June to 31 December 2015

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BUSINESS AND CORPORATE UPDATES

2019

Aug

- Dr Chin Tan Min joined the Group as a Senior Consultant in August 2019.
- Dr Chin specialises in thoracic oncology as well as screening and treatment for lung cancers.
- She was awarded the Health Manpower Development Programme fellowship to pursue further sub-specialisation training in thoracic oncology, with a clinical and research fellowship at the Massachusetts General Hospital Cancer Centre in the United States.
- Dr Chin is the Principal Associate at the Cancer Science Institute of Singapore, where she continues her current research.
- She is member of American Society of Clinical Oncology, American Association for Cancer Research and the International Association of Lung Cancer.
- She has a keen and active interest in translational and clinical research to improve patient care.



BUSINESS AND CORPORATE UPDATES (CONT'D)

2019

Aug

- The Company's wholly-owned subsidiary, TalkMed China Pte. Ltd. ("**TMC**") established a 100% owned subsidiary, TalkMed Hospital Management (Beijing) Co., Ltd. ("**TMHM**") in Beijing, the People's Republic of China ("**PRC**") with a registered capital of RMB 5 million.
- The principal activity of TMHM is to provide hospital management and advisory services in the PRC.
- TMHM is currently in the process of setting up a medical centre of international standards that will focus on cancer treatment and other medical services in Beijing ("**Beijing Medical Centre**").
- We are aiming for the Beijing Medical Centre to commence operations during the second half of 2020 if the COVID-19 outbreak does not worsen in the PRC.
- We will continue to update our Shareholders as and when there is progress.



BUSINESS AND CORPORATE UPDATES (CONT'D)

2019

Sep/ Oct

- TalkMed Chongqing Pte. Ltd. (“**TMCQ**”) entered into an equity joint venture contract with Chongqing Yongchuan District People’s Hospital (“**YCDPH**”) for the purpose of establishing a Sino-Singapore oncology hospital in Yongchuan District, Chongqing, PRC (the “**Hospital**”).
- The Hospital will provide, inter alia, medical oncology (including infusion therapy), radiotherapy, diagnostic services, palliative therapy, surgeries and ancillary services.
- Sino-Singapore Hospital Management (Chongqing) Co., Ltd. (“**JV Co**”), the collaboration vehicle that will be responsible for the set-up and subsequent operation of the Hospital, was incorporated.
- TMCQ and YCDPH hold 60% and 40% equity interest of JV Co respectively.
- The Hospital is expected to commence operations during the second half of 2020 if the COVID-19 situation in the PRC does not worsen.



BUSINESS AND CORPORATE UPDATES (CONT'D)

2019

Nov

- The Company incorporated a wholly-owned subsidiary, TalkMed Greater China Pte. Ltd. (“**TMGC**”) in Singapore.
- The Company intends to utilise TMGC as a vehicle to explore and hold healthcare-related collaborations in the PRC.
- Subsequent to the incorporation of TMGC, the Group carried out a restructuring exercise (the “**Restructuring**”), which aims to consolidate and streamline the Group’s corporate structure in relation to the Group’s projects in the PRC.
- Following the Restructuring, both TMC and TMCQ became wholly-owned subsidiaries of TMGC, which is in turn wholly-owned by the Company.



BUSINESS AND CORPORATE UPDATES (CONT'D)

2020

Jan

- The Company's wholly-owned subsidiary, TMC entered into an acquisition agreement with Mr. Cui Tao, pursuant to which TMC will acquire 70% equity interests in Beijing Yachuang Siwei Investment Management Co., Ltd. ("**Yachuang**") ("**Acquisition**").
- The purchase consideration for the Acquisition will be RMB 180,000 (equivalent to approximately S\$35,350).
- Yachuang is principally engaged in the business of investment management, hospital management, and healthcare management and consultancy (excluding diagnosis and treatment).
- With the acquisition of Yachuang, the Group will have more flexibility in the structuring of future merger and acquisition plans in the PRC.



BUSINESS AND CORPORATE UPDATES (CONT'D)

2020

- Following the COVID-19 outbreak, travelling restrictions in the region that have been imposed by the governments of various countries had affected our patient numbers in Singapore.
- Similarly, the patient numbers of our Hong Kong centres have also been adversely affected with the partial closure of the borders with China and some of the local patients defer consultations and treatments.
- The governments in Singapore and Hong Kong have provided wage subsidies to firms which will help to partially cushion against the financial impact of the outbreak.
- Given the fluidity of the situation, we do not have visibility on the actual impact of the outbreak on 2020 but we will continue to monitor the situation and provide an update to shareholders when necessary.

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SUMMARY AND OUTLOOK

1

The Group's revenue increased by some 23.9% mainly due to the increase in revenue from oncology services.

In addition, revenues for each quarter in FY19 were the best-performing quarters respectively since the inception of TalkMed.

2

Our share of loss of associate in FY19 was some 7.9% lower when compared to FY18.

Overall, Group PAT increased by some 20.6% due to higher revenue partially offset by the increase in operating expenses.

3

The Company has proposed a final dividend of S\$0.013 per share.

Together with the interim dividend of S\$0.01 per share that was paid in August 2019, this will constitute 84.6% of the net profits attributable to owners of the Company in FY19.



SUMMARY AND OUTLOOK (CONT'D)

4

The COVID-19 outbreak has grown substantially in scale, magnitude and severity worldwide.

We expect the patient numbers of our Singapore and Hong Kong centres to be affected but the overall impact on the Group's financial performance in 2020 remains to be seen.

5

Our projects in Beijing and Chongqing are expected to commence operations in second half of 2020.

Nevertheless, we remain cautious about any potential impact of the COVID-19 outbreak on the progress of our PRC projects.



Thank you