



TALKMED GROUP LIMITED

(“TalkMed” or the “Company”)

8th Annual General Meeting
20 April 2021

Disclaimer

This presentation contains certain financial information and results of operation, and may also contain certain projections, plans, strategies, and objectives of the Company which are not statements of historical fact but would constitute “forward-looking statements” that reflect the Company’s current views with respect to future events and financial performance. These views expressed herein are based on a number of estimates and current assumptions which are subject to business, economic and political uncertainties and contingencies, as well as various risks which are in many cases outside the control of the Company, and which may change over time and may cause the Company’s future results to be materially different than expected or indicated by such statements. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct. Such forward-looking statements are not guarantees of future performance and accordingly, the actual results, financial condition, performance or achievements of the Company may differ materially from those anticipated by the Company in the forward-looking statements. The information contained herein is current only as of its date and shall not, under any circumstances, create any implication that such information is correct as of any time subsequent to the date hereof or that there has been no change in the financial condition or affairs of the Company since such date. Opinions expressed herein reflect the judgment of the Company as of the date of this presentation and may be subject to change. This presentation may be updated from time to time and there is no undertaking by the Company to post any such amendments or supplements to this presentation. The Company will not be responsible for any consequences resulting from the use of this presentation, nor any undue reliance placed upon any opinion or statement contained herein.

Agenda

**Financial
performance**



Business and
corporate update



Summary and
outlook





PERFORMANCE REVIEW FOR THE GROUP⁽¹⁾

For the year ended	31 Dec 2020 ("FY2020") S\$'m	31 Dec 2019 ("FY2019") S\$'m	% Increase/ (decrease)
Revenue	62.14	75.92	(18.2%)
Interest income	0.71	1.31	(45.8%)
Other income	2.18	0.07	2851.4%
Operating expenses	(35.21)	(34.51)	2.0%
Impairment loss on plant and equipment	(3.41)	-	N.M
Finance costs	(0.52)	(0.39)	32.7%
Share of loss of associate	(1.04)	(1.05)	(0.6%)
Share of loss of joint venture	(0.04)	-	N.M
Profit before tax	24.81	41.35	(40.0%)
Income tax expense	(6.29)	(8.54)	(26.4%)
Profit after tax ("PAT")	18.52	32.81	(43.6%)

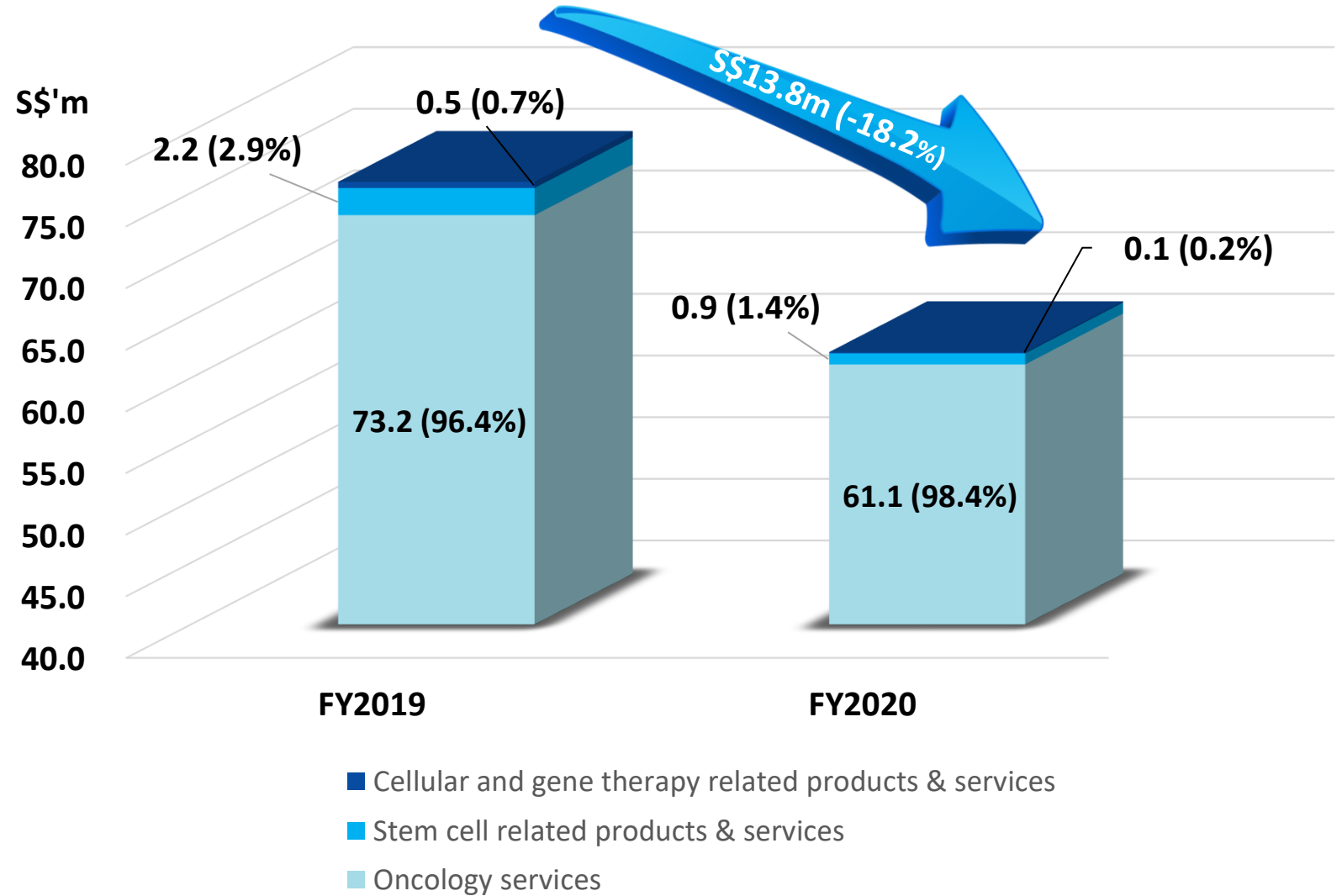
N.M – not meaningful

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



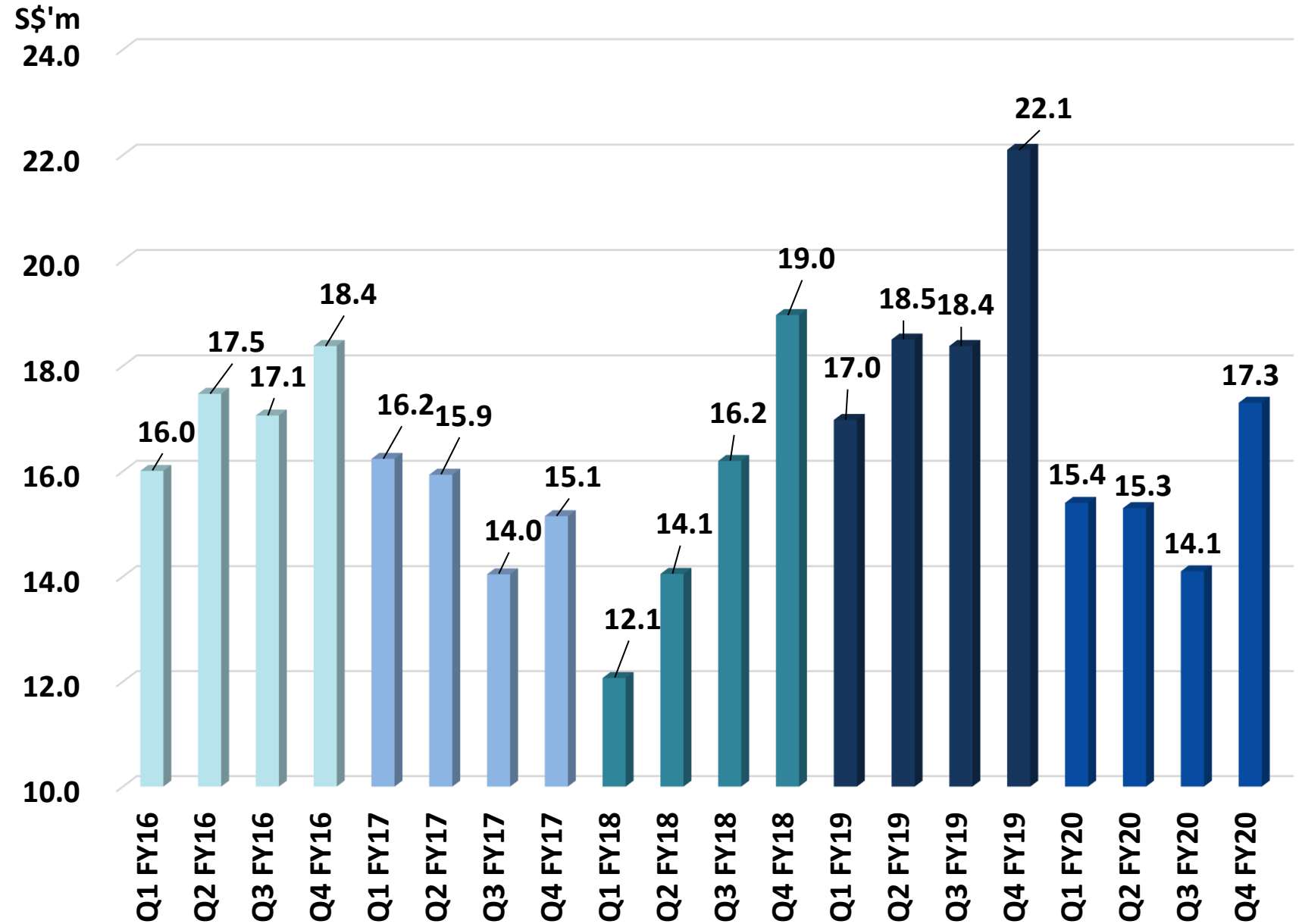
REVENUE BREAKDOWN

– FY2020 vs FY2019



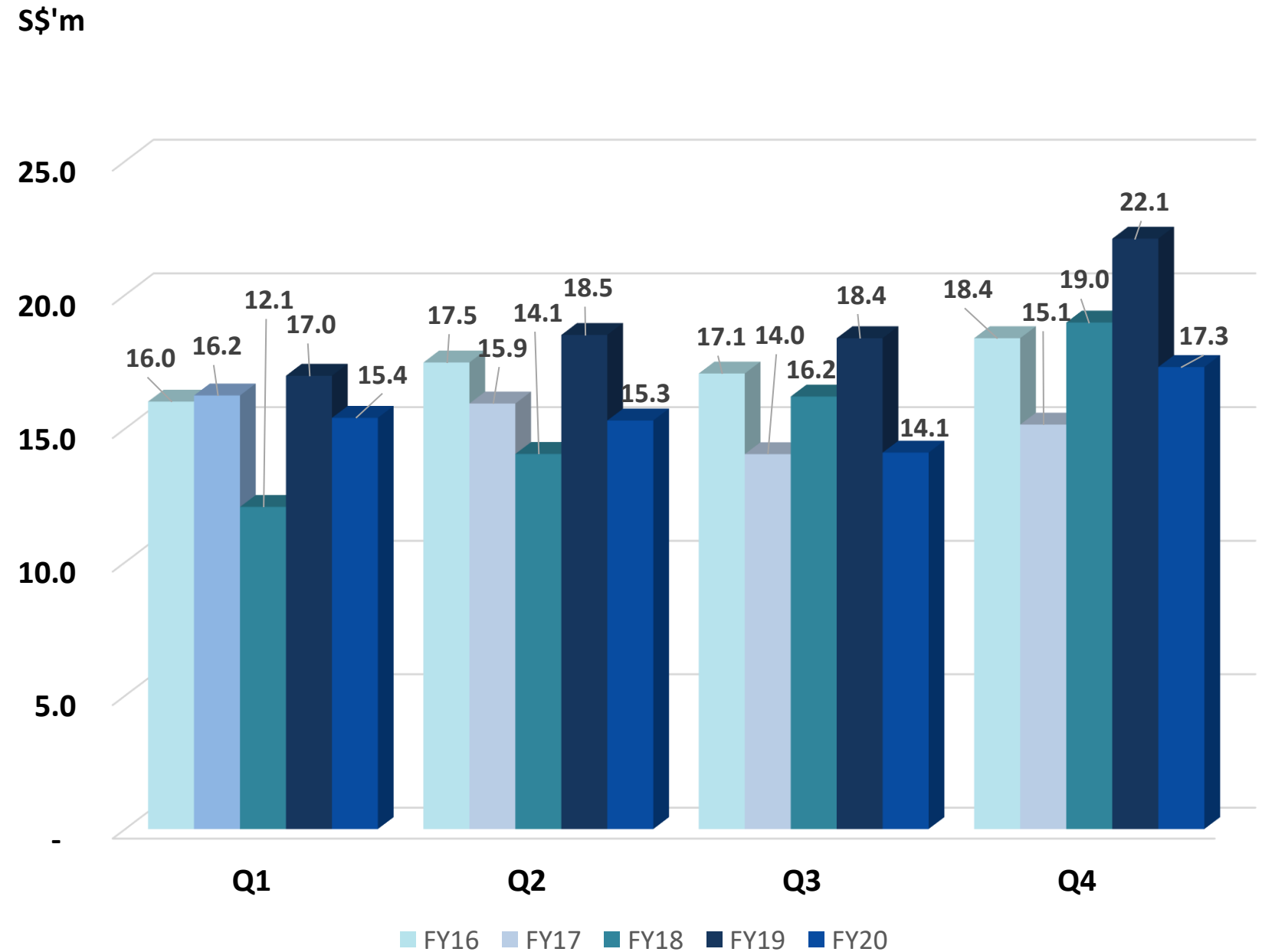


QUARTERLY REVENUE



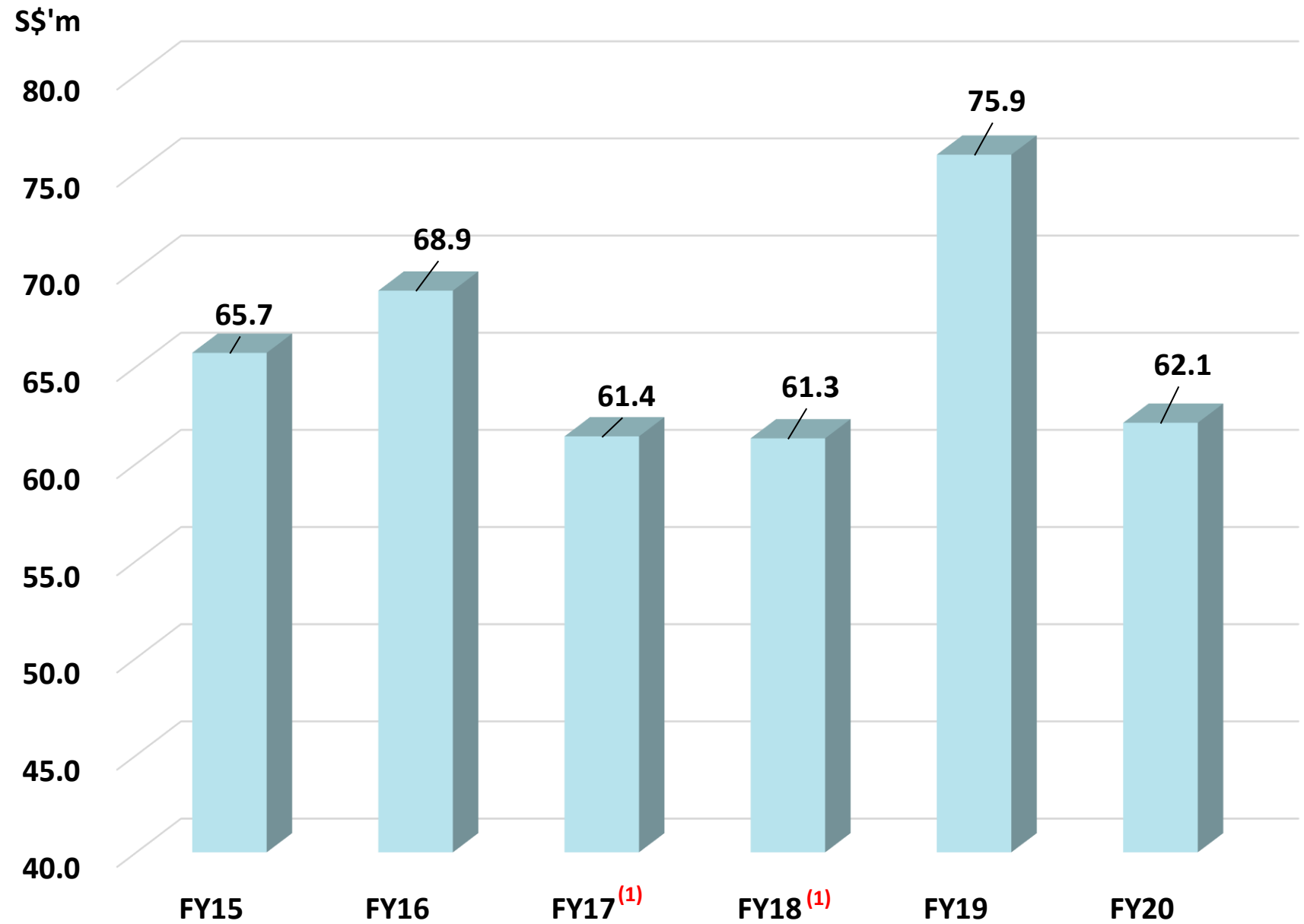


QUARTERLY REVENUE (Cont'd)





YEARLY REVENUE

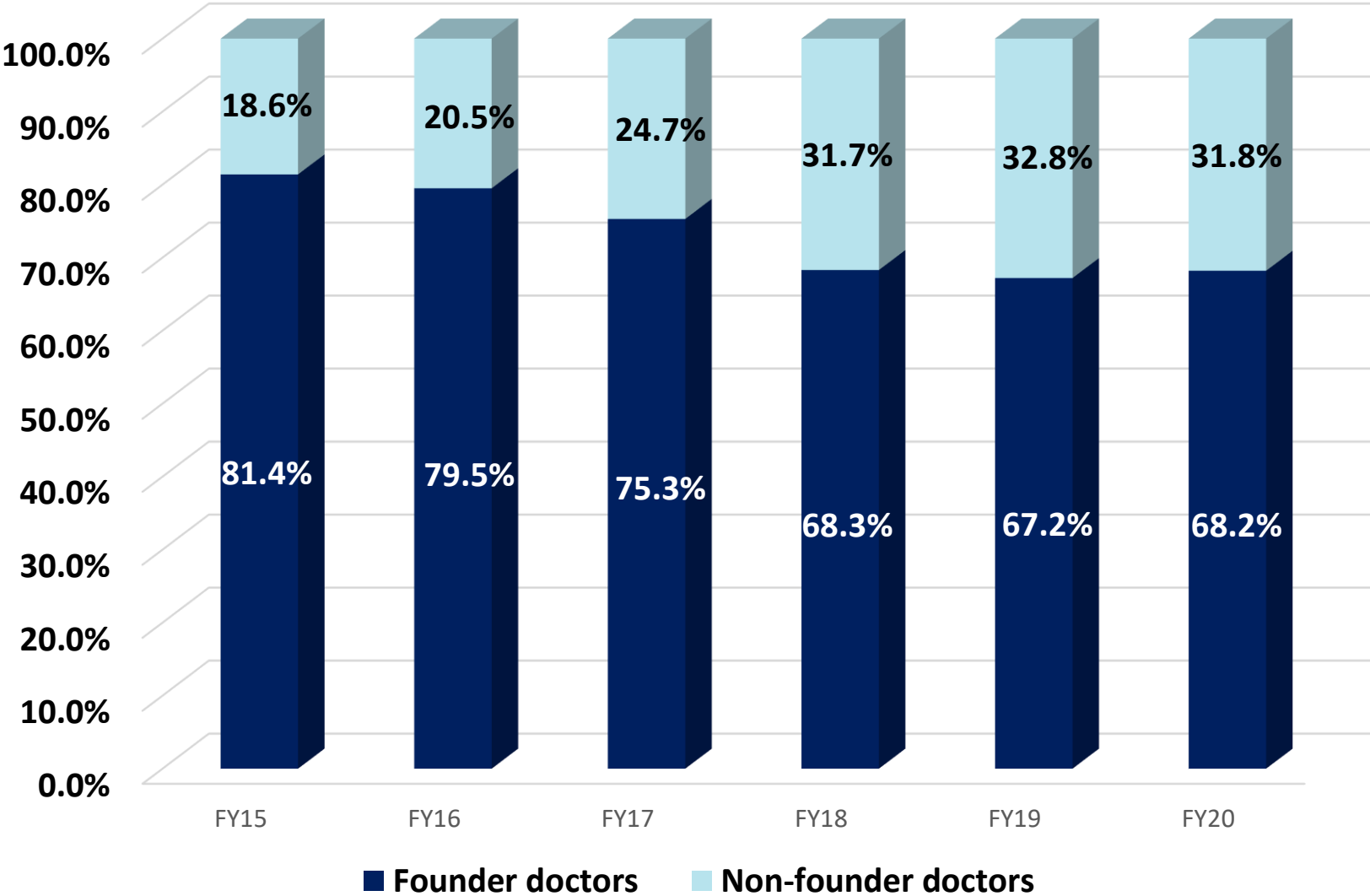


⁽¹⁾ Dr Ang was suspended from 25 July 2017 to 25 March 2018



ESTIMATED REVENUE CONTRIBUTION (%)

– Founder doctors vs
non-founder doctors





OPERATING EXPENSES FOR THE GROUP

For the year ended	FY2020 S\$'m	FY2019 S\$'m	% Increase/ (decrease)
Employee benefits expense	(24.38)	(25.15)	(3.1%)
Share-based payments expense	(2.11)	(0.22)	860.0%
Operating lease expense	(0.05)	(0.04)	32.4%
Depreciation of right-of-use assets	(2.09)	(1.96)	6.6%
Depreciation of plant and equipment	(1.43)	(1.46)	(2.8%)
Other operating expenses	(5.15)	(5.68)	(9.2%)
Total operating expenses	(35.21)	(34.51)	2.0%

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Mainly due to the issue of performance shares to certain employees during FY2020

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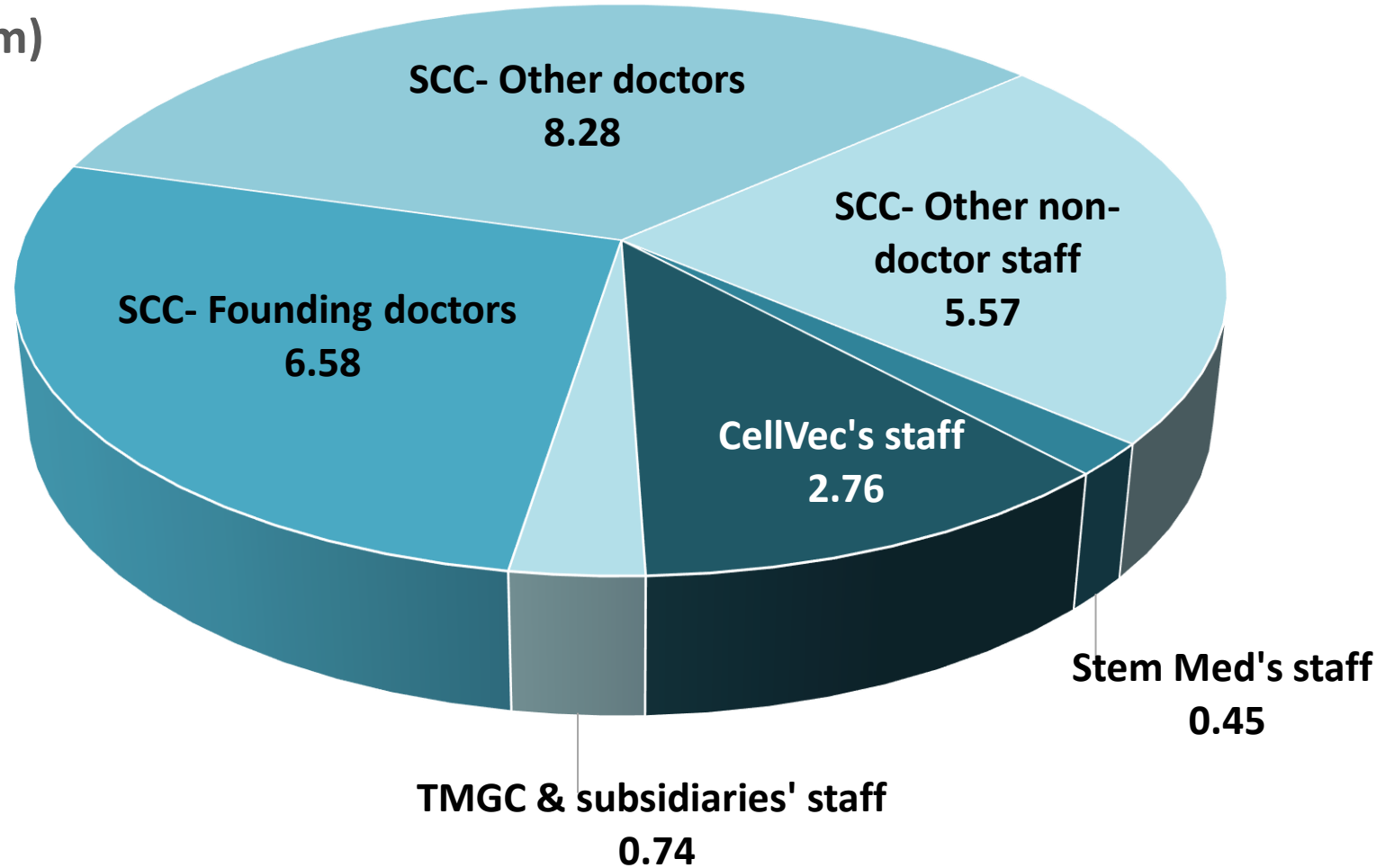


EMPLOYEE BENEFITS EXPENSE FOR THE GROUP

– By Entities

FY2020 (Total: S\$24.38m)

(In S\$'m)



SCC- Singapore Cancer Centre Pte. Ltd.

Stem Med- Stem Med Pte. Ltd.

CellVec- CellVec Pte. Ltd.

TMGC- TalkMed Greater China Pte. Ltd.

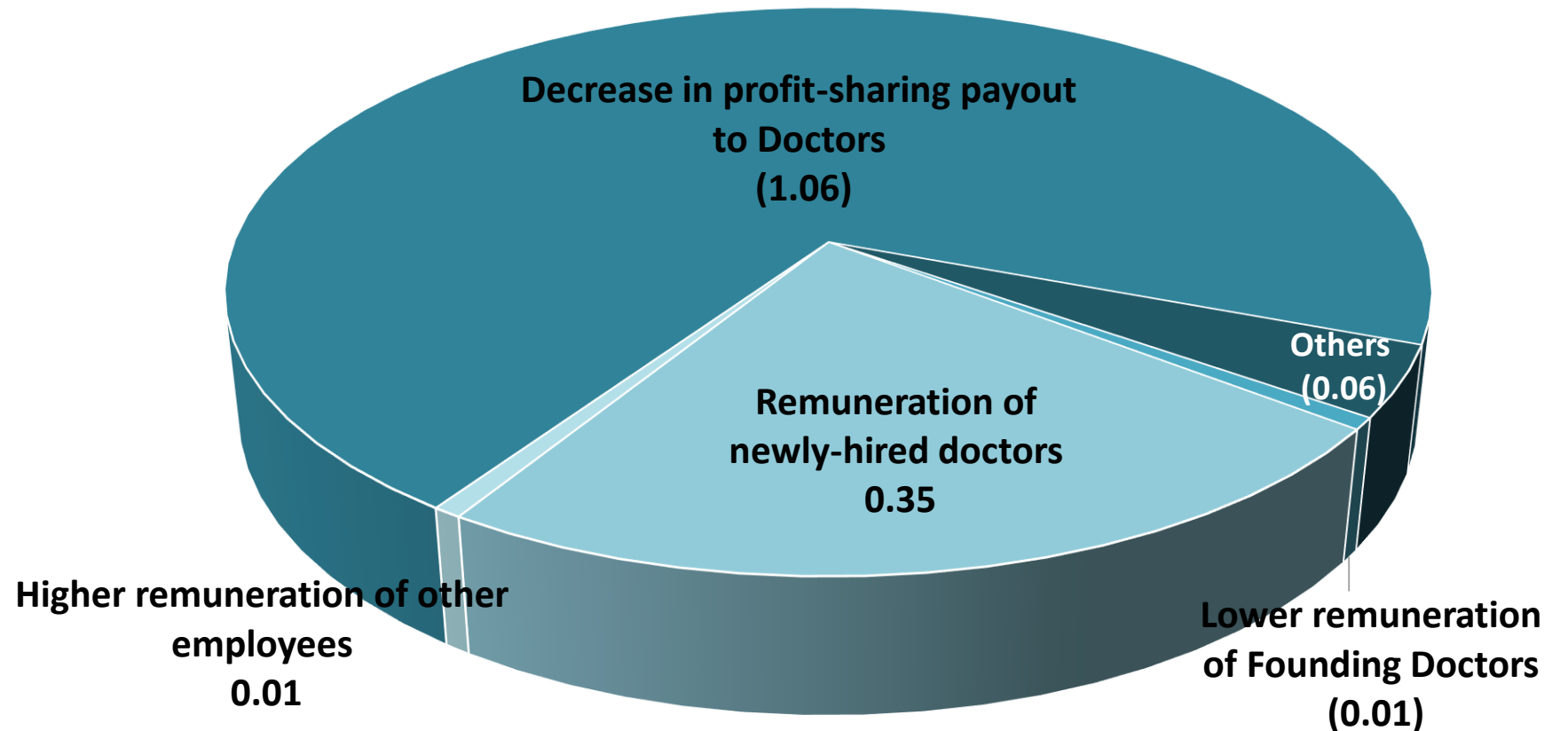


EMPLOYEE BENEFITS EXPENSE FOR THE GROUP

– FY2020 vs FY2019

FY2020 vs FY2019: Decrease of S\$0.77m
(see below for breakdown)

(In S\$'m)



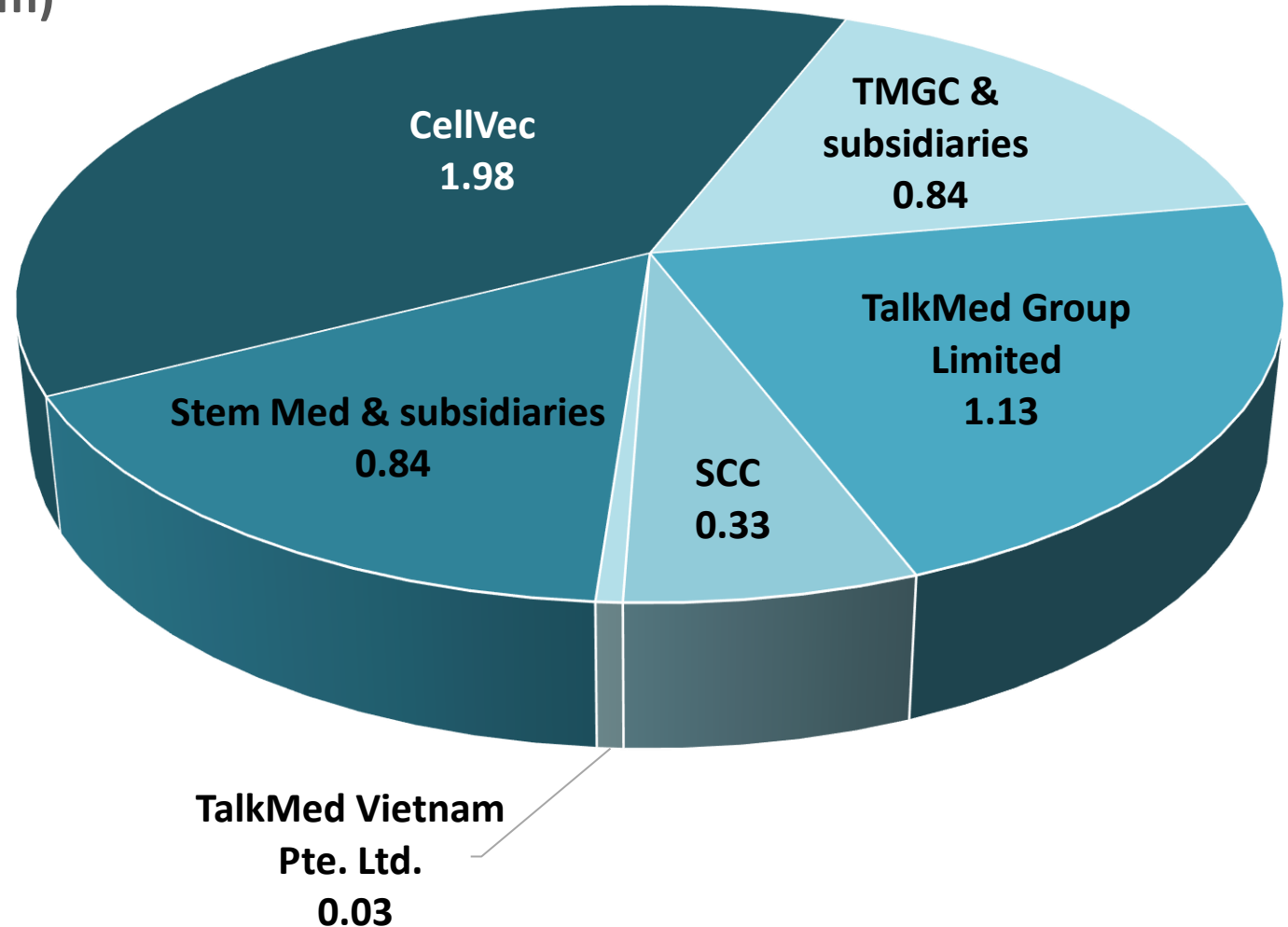


OTHER OPERATING EXPENSES FOR THE GROUP

– By Entities

FY2020 (Total: S\$5.15m)

(In S\$'m)



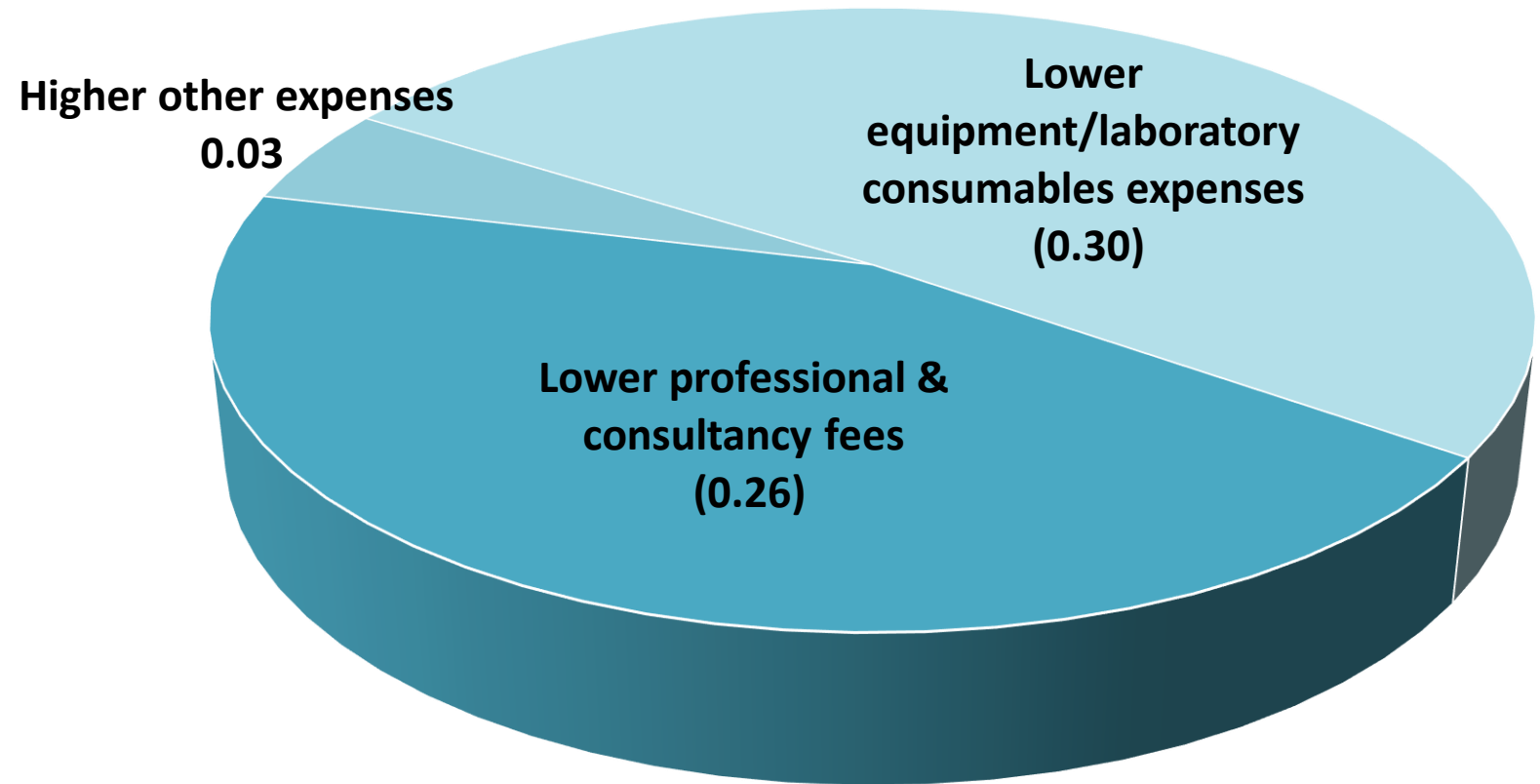


OTHER OPERATING EXPENSES FOR THE GROUP

– FY2020 vs FY2019

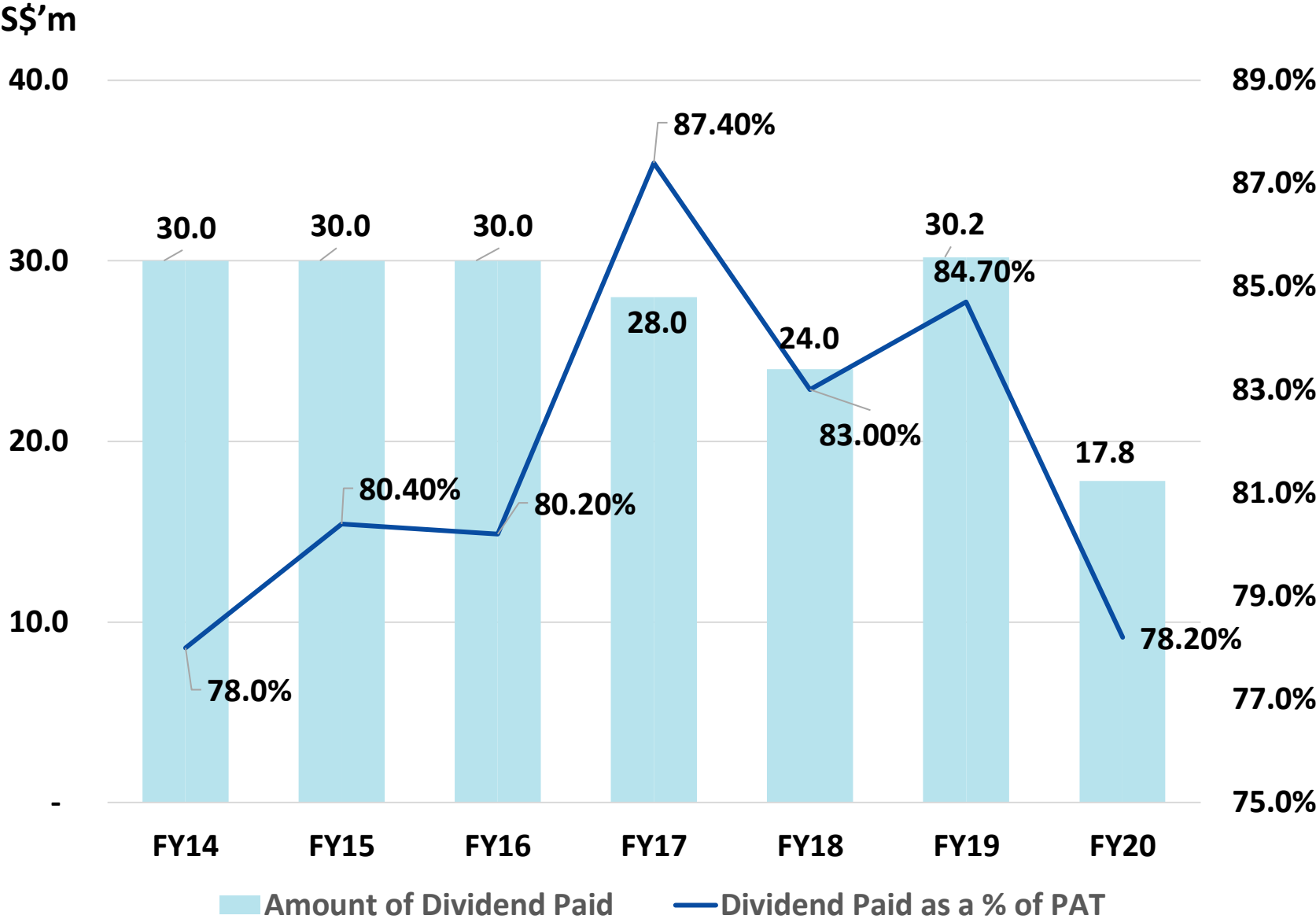
FY2020 vs FY2019: Decrease of S\$0.53m
(see below for breakdown)

(In S\$'m)



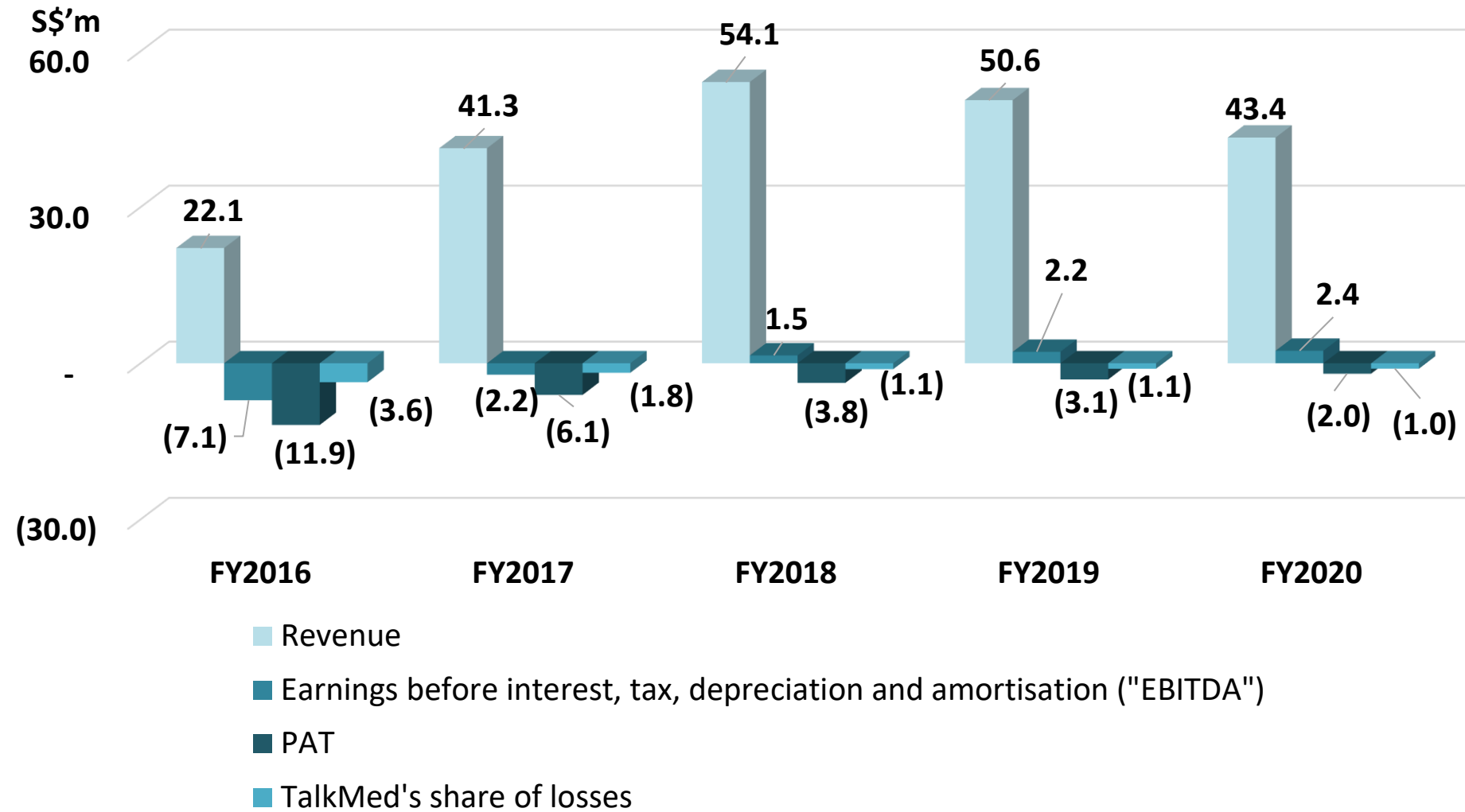


DIVIDENDS





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



Agenda

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performance



**Business
and
corporate
update**



Summary and
outlook





BUSINESS AND CORPORATE UPDATES

2020

- On 13 May 2020, CellVec Pte. Ltd. (“**CellVec**”), a 60%-owned subsidiary, was awarded the “Good Manufacturing Practice” certificate by the Health Sciences Authorities with which CellVec is now certified to manufacture viral vectors (lentivirus and retrovirus).
- However, the cellular and gene therapy industry was adversely impacted by the pandemic in FY20 as demand from non-COVID-19 research continued to wane.
- CellVec’s revenue declined by some S\$0.36 million or 74.3% from S\$0.48 million during the prior year to S\$0.12 million in FY20. In view of the soft market conditions and a possibly slow recovery ahead, the Group recorded an impairment loss of S\$3.41 million on plant and equipment of CellVec in FY20.
- We will share more on CellVec during the Q&A session.



BUSINESS AND CORPORATE UPDATES (CONT'D)

2021

Apr

- Dr Dawn Mya joined the Group as a Senior Consultant, Haematologist in April 2021.
- Her areas of expertise are acute leukaemia, lymphoma, multiple myeloma and other general blood diseases.
- She was previously a Consultant in the Department of Haematology, Singapore General Hospital (“SGH”) where she is now a Visiting Consultant overseeing the Flow Cytometry Services for haematological cancers.
- She completed her Basic Specialist Training in Medicine and Advanced Specialist Training in Haematology at SGH and she was accredited as a Specialist for Haematology in 2013.
- She is also a Fellow of the Royal College of Pathologists (Haematology), United Kingdom.
- Dr Dawn was an Adjunct Assistant Professor at the Duke-NUS Graduate Medical School and Senior Clinical Lecturer at Yong Loo Lin School of Medicine.



BUSINESS AND CORPORATE UPDATES (CONT'D)

2021

- As part of the Group's plan to expand to China, Sino-Singapore Cancer Centre ("SSCC"), a category 2A (二级甲) oncology hospital was established in Yongchuan, Chongqing, offering an integrated care model and a holistic cancer care experience for its patients.
- Key features of SSCC:
 - 150 beds and 30 chemotherapy chairs;
 - Comprehensive suite of services covering cancer diagnosis, treatment (including outpatient chemotherapy) and post-treatment care;
 - Advanced equipment including PET/CT and a medical linear accelerator; and
 - Multidisciplinary team of medical doctors, nurses, counsellors, and other paramedical professionals, from both PRC and Singapore.
- SSCC has obtained its practice license of medical institution but commencement of operations is subject to other regulatory approvals.



BUSINESS AND CORPORATE UPDATES (CONT'D)

- *Sino-Singapore
Cancer Centre*





BUSINESS AND CORPORATE UPDATES (CONT'D)

2021

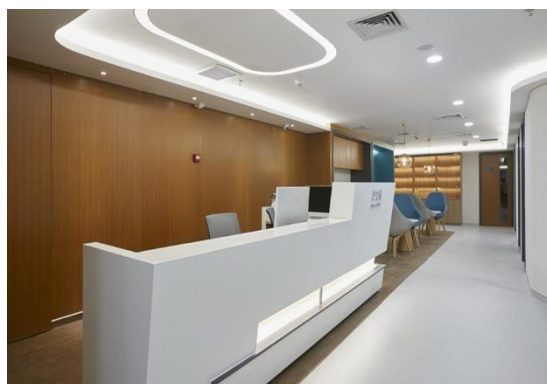
- Alongside with SSCC, the Group has also set up an outpatient medical centre in Beijing (the “**Beijing Centre**”) through a wholly-owned subsidiary, Beijing Deyi Shanshui Clinic Co., Ltd.
- The renovations of our Beijing Centre have been completed and is currently awaiting the practice license of medical institution to be granted.
- While SSCC and the Beijing Centre are not expected to contribute meaningfully to the Group’s bottom-line in the short run, they will place us in an advantageous position to capture emerging market opportunities once the operating climate normalises.
- Updates on SSCC and the Beijing Centre will be provided as and when they are available.



BUSINESS AND CORPORATE UPDATES

(CONT'D)

- *Beijing Centre*





BUSINESS AND CORPORATE UPDATES (CONT'D)

2021

- In view of the sporadic resurgence of COVID-19 infections globally, travel restrictions continue to be in place which have adversely affected the number of overseas visitors seeking treatment at our medical centres in Singapore and Hong Kong.
- However, with the roll-out of COVID-19 vaccines worldwide, we cautiously expect a gradual recovery of medical tourism once the pandemic situation stabilises and travel restrictions are loosened but the timing of recovery remains uncertain.
- We will share more on the impact of the COVID-19 pandemic on our businesses during the Q&A session.

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SUMMARY AND OUTLOOK

1

The Group's revenue decreased by some 18.2% mainly due to the decrease in revenue from oncology services with the lower number of patient visits at our medical centres.

2

Overall, Group PAT decreased by some 43.6% due to a decrease in revenue, an increase in share-based payments expense as well as impairment loss recognised, partially offset by an increase in other income and a decrease in employee benefits expense and other operating expenses.

3

Group PAT excluding impairment loss was \$21.92 million in FY20, a decrease of some \$10.88 million or 33.2% from \$32.81 million in FY19.



SUMMARY AND OUTLOOK (CONT'D)

4

The Company has proposed a final dividend of S\$0.0075 per share.

Together with the interim dividend of S\$0.0060 per share that was paid in November 2020, this will constitute 78.2% of the net profits attributable to owners of the Company in FY20.

5

The establishment of SSCC in Chongqing and the subsequent award of the operating license of medical institution mark a milestone for the Group in its plans to expand in China.

The Group looks forward to the commencement of operations of SSCC and the Beijing Centre and will keep our shareholders apprised of any new development in relation to its projects in China.



SUMMARY AND OUTLOOK (CONT'D)

6

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, movement controls and other measures imposed by the various governments.

Travel restrictions imposed by governments around the world are expected to continue to impact the patient flow to the Group's operations in Hong Kong and Singapore, as foreign patients accounted for part of the Group's patient load.

However, with the roll-out of COVID-19 vaccines worldwide, we cautiously expect a gradual recovery of medical tourism once the pandemic situation stabilises and travel restrictions are loosened but the timing of recovery and its impact on the Group's financial performance in 2021 remain uncertain.



Thank you