



THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199908381D)

RESPONSE TO SGX QUERY ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Board of Directors of Thomson Medical Group Limited (the “**Company**” or “**TMG**”, together with its subsidiaries, the “**Group**”) wishes to announce the following in response to a query raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 14 October 2021 with respect to the Company’s Annual Report for the financial year ended 30 June 2021 (the “**Annual Report**”).

SGX Query

We refer to the Company’s Annual Review of Director’s Independence on pages 32 of the FY2021 Annual Report. We note that Dr Lam Lee G has served as an Independent Non-Executive Director of the Company for an aggregate term of more than nine years. The Company has not indicated that a rigorous review of his independence had been conducted and has not provided an explanation as to why he should be considered independent.

Paragraph 2.4 of the Code of Corporate Governance 2012 (the “**Code**”) states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent. Please clarify whether his independence as a Director of the Board has been subject to particularly rigorous review and provide the Board’s explanation on why he should be considered independent in spite of his long tenure of more than 9 years as a director of the Company.

Response from Company

As disclosed on page 32 of the Annual Report, the Nominating and Remuneration Committee (“**NRC**”) of the Company:

(a) has reviewed, determined, and confirmed the independence of each of the independent directors of the Company; and

(b) considers an independent director as one: (i) who is independent in conduct, character and judgement; and (ii) who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company, being the criterion of independence in line with Provision 2.1 of the Singapore Code of Corporate Governance 2018 (the “**2018 Code**”).

In connection with paragraph (b)(ii) above, the Company would like to add that the NRC had also considered Rule 210(5)(d) of the SGX-ST listing manual, which states that a director will not be independent if (a) he is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years; or (b) he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer. The NRC noted that Dr Lam Lee G does not fall under any of the categories under Rule 210(5)(d).

Following the completion of the Very Substantial Acquisition (VSA) of the Group's healthcare business in 2018, the Group appointed a completely new management team. Subsequently, the Board was further refreshed and re-constituted with four new appointments after the divestment of the real estate business in 2019. When Dr Lam was re-appointed to the Board on 2 May 2019, he was working with a completely new management team and a refreshed Board of directors.

The NRC recommended the re-appointment of Dr Lam on the basis of his expertise, experience and the requisite qualifications. The NRC had further carried out a rigorous review and considers Dr Lam independent based on the substance of his professionalism, integrity, and objectivity, and not the number of years he had served on the Board. In serving as an Independent Director, Dr Lam has and continues to engage the Board in constructive discussions and has demonstrated his exercise of independent judgment. The NRC also noted that Dr Lam has attended all Board meetings and meetings of the respective Board Committees he sits on. Dr Lam does not hold any stake in the Company and cannot exercise any significant influence in the Company and the Group, other than by virtue of his role as a director of the Company.

By Order of the Board
THOMSON MEDICAL GROUP LIMITED

Dr Wong Chiang Yin
Executive Director and Group Chief Executive Officer
18 October 2020