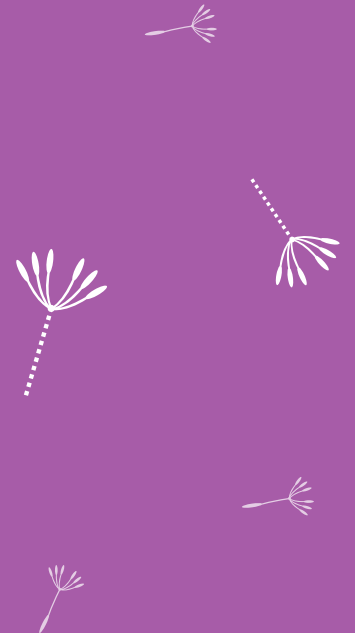




GROWING OUR REACH

ANNUAL REPORT
2023





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In “Growing our Reach”, Thomson Medical rises from the challenges brought about by the COVID-19 pandemic with renewed vigour to propel forward and transcend borders. The Annual Report 2023 chronicles our journey in our continual quest to enhance lives and meet increasing healthcare needs in Southeast Asia. It is a testament to our unwavering spirit and dedication, driving Thomson Medical towards greater heights in the healthcare arena.

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OUR VISION

To be the provider of choice for integrated healthcare solutions across Asia.

OUR MISSION

We aim to create better lives for people through innovative, unique and sustainable integrated solutions – delivering exceptional healthcare services solutions of the highest quality.

CORE VALUES

INTEGRITY

We serve with the highest standards of ethical conduct.

COMMITMENT

We are committed to contributing our best to society and the organisation and achieving service excellence.

ACCOUNTABILITY

We take ownership and responsibility for our actions.

RESPECT

We treat our customers with respect and dignity. We learn from those more knowledgeable than us.

EMPATHY

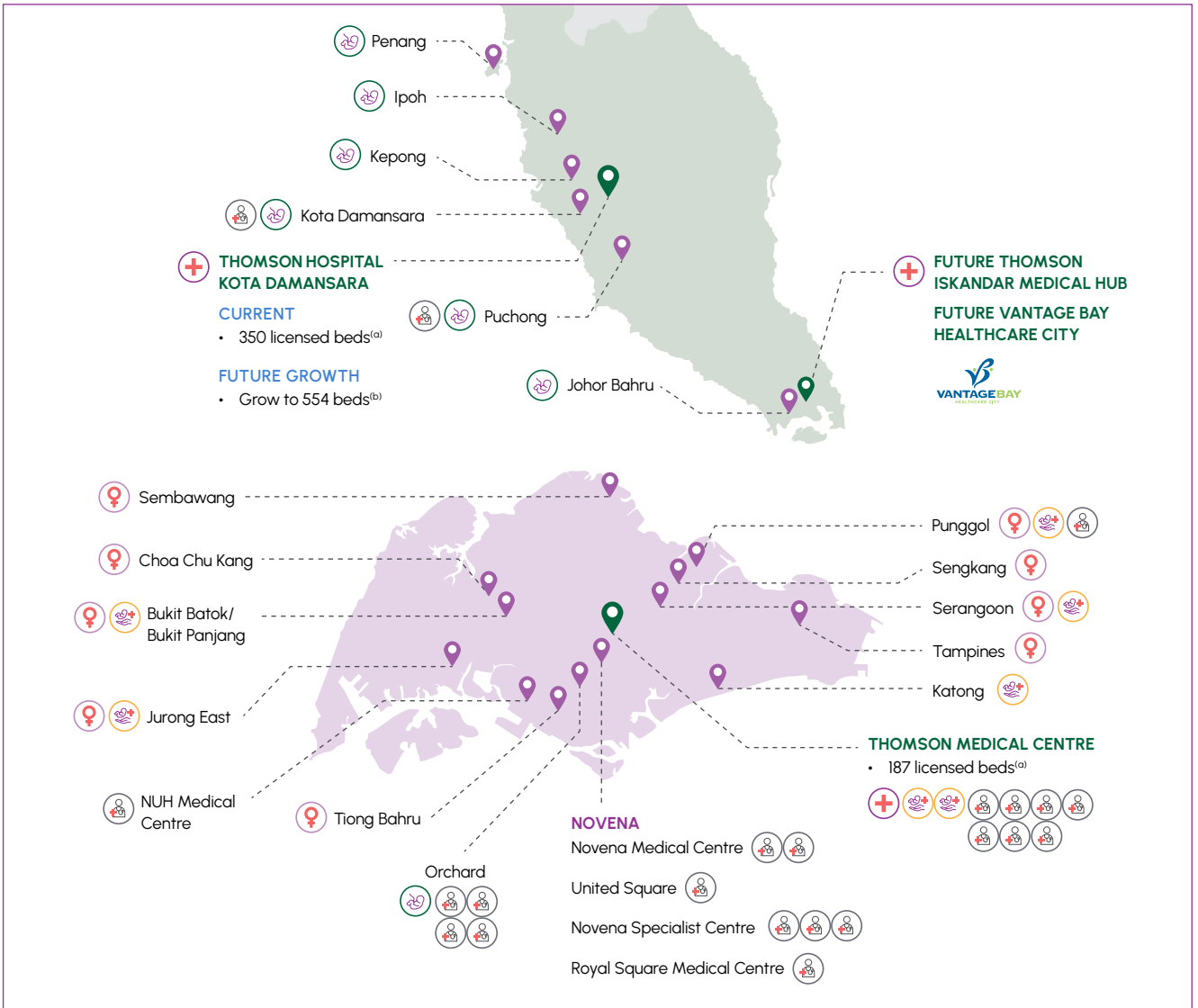
We care for our patients, doctors, customers and staff. Of paramount importance is their well-being and we will always respond with compassion.

OUR GROUP AT A GLANCE



(1) The proposed acquisition of FV Hospital in Vietnam by the Group (the "Proposed Acquisition") is subject to and conditional upon, amongst other things, the approval of the shareholders of Thomson Medical Group Limited of the Proposed Acquisition in general meeting; the receipt of a copy of the merger clearance notification in respect of the Proposed Acquisition issued by the Ministry of Industry and Trade of Vietnam; and the receipt of a copy of the relevant mergers and acquisitions approval notice in respect of the Proposed Acquisition issued by the Department of Planning and Investment of Vietnam.

HEALTHCARE ASSETS IN SINGAPORE AND MALAYSIA



SINGAPORE FLAGSHIP THOMSON MEDICAL CENTRE WITH 37 CLINICS AND CENTRES ISLAND WIDE



MALAYSIA FLAGSHIP THOMSON HOSPITAL KOTA DAMANSARA WITH 6 FERTILITY CENTRES, 1 TCM CLINIC AND 1 PHARMACY



LEGEND



Note: Information as at 30 June 2023.

(a) Licensed beds are approved no. of beds by the Ministry of Health in the respective jurisdictions that the hospitals are allowed to operate as of 30 June 2023.

(b) Expanded THKD has a maximum capacity of 554 beds.



ENABLING
GREATER CARE

○ RECEIVED

76 awards

at the Singapore Health
Quality Service Awards

○ PROPOSED ACQUISITION OF
FV HOSPITAL, VIETNAM

○ INCREASE TOTAL LICENSED
BED COUNT TO

350 beds

in Malaysia

Anchored in the experience of our management team and dedication of our people, we are advancing our quest to become Asia's healthcare provider of choice – increasing our expertise to more patients in Singapore and bringing the Thomson Touch to more patients across Southeast Asia.

LETTER TO SHAREHOLDERS



Despite a challenging operating environment in FY2023 marked by high inflation and rising interest rates, TMG was able to notch numerous milestones during the year, laying a strong foundation for sustainable growth, and paving the way for the Group to realise our vision of becoming Southeast Asia's healthcare powerhouse.

DEAR SHAREHOLDERS

On behalf of the Board of Directors, it gives me great pleasure to present Thomson Medical Group's ("TMG" or the "Group") Annual Report for the financial year ended 30 June 2023 ("FY2023").

Despite a challenging operating environment in FY2023 marked by high inflation and rising interest rates, TMG was able to notch numerous milestones during the year, laying a strong foundation for sustainable growth, and paving the way for the Group to realise our vision of becoming Southeast Asia's healthcare powerhouse.

Expanding Our Southeast Asia Network with the Addition of Vietnam

In July 2023, the Group announced that it will acquire Vietnam's FV Hospital for an enterprise value ("EV") of US\$328.5 million (or approximately S\$445.3 million). Based on the FY2022 EBITDA of US\$19.5 million, this translates into an EV/EBITDA of 16.8x. The deal highlights

the increasing importance of Vietnam's thriving healthcare market, and paves the way for the Group to realise its Southeast Asian expansion strategy.

EV/EBITDA OF VIETNAM'S FV HOSPITAL

16.8x US\$328.5 million

FV Hospital was the first Joint Commission International ("JCI") accredited hospital in South Vietnam, and has been accredited twice over, a testament to its commitment to clinical quality and patient-centric services across its two-decade-long history. The hospital provides care across over 30 medical specialties, including oncology, cardiology, ophthalmology, orthopaedics, maternity, and gastroenterology.

Our acquisition of FV Hospital is not only the addition of a strategic asset to the Group, but also represents our entry into a fast-growing market and the opportunity to tap into many other opportunities across the healthcare value chain.

Deepening Our Singapore Network

Apart from growing our influence in Southeast Asia, we continue to invest in and build up our brand-name assets across Singapore, Malaysia and Vietnam to generate sustainable growth, both now and in the future.

The Group continues to expand and enhance our operations in Singapore, rebranding Thomson Welth as Thomson Specialists (Paragon), a multi-disciplinary specialist centre. We are also adding a new specialist centre in Woodleigh, which will offer integrated care for women across a range of specialties relevant to different life stages, including endocrinology, obstetrics and gynaecology, colorectal and ophthalmology. These flagship multi-disciplinary specialist centres integrate our resources across the areas of treatment, management and prevention to provide patients with end-to-end, holistic, personalised and quality care.

During the fiscal year, the Group continued to focus on boosting its core infrastructure and incorporating new technologies to deliver quality

care for patients. One example is the introduction of the Dual-energy X-ray Absorptiometry ("DXA") machine at our Thomson Diagnostic Imaging Centre in Thomson Medical Centre ("TMC"). The machine measures Bone Mineral Density ("BMD") and conducts body composition analysis.

TMC also launched Electronic Medical Records ("EMR") as part of the Group's Thomson Digital Transformation efforts, offering improved security and productivity in accessing patient records. The rollout of the EMR is to prepare for the sector-wide implementation of National Electronic Health Records ("NEHR") in Singapore.

Accelerating Growth in Malaysia

Across the Causeway, our growth plans continue to unfold at Thomson Hospital Kota Damansara ("THKD"), the flagship hospital of TMC Life Sciences Berhad ("TMCLS") and one of the fastest-growing private hospitals in Malaysia.

THKD opened its new 300-bed expansion wing during the third quarter of 2022, increasing its total bed count to 554 beds. The ongoing program to enhance our expansion wing will add another 847,430 square feet, comprising 14 centres of excellence, 154 outpatient clinics, 10 operating theatres and 11 delivery suites.

In March 2023, THKD obtained the Australian Council on Healthcare Standards ("ACHS") EQulP7 Accreditation for Cancer Services, cementing our capacity to fulfill established standards of care which are safe, effective and accessible. This comes on the heels of the launch of our Oncology & Nuclear Medicine facility, which features the Mediso AnyScan SPECT/CT/PET imaging system, making us first in Asia Pacific to offer this technology. The new facility also offers a range of cancer treatments, including surgery, chemotherapy, radiosurgery, radiotherapy, nuclear medicine diagnostics and theranostics.

During the financial year, THKD also expanded its services to include palliative care medicine, ophthalmology & vitreoretinal surgery, rheumatology, paediatric anaesthesiology and vascular surgery. This enabled THKD to record new milestones by accomplishing our first Kasai surgery in January 2023, as well as our first Thymoma surgery in February 2023.

LETTER TO SHAREHOLDERS

Awards That Recognise Our Leadership in Healthcare

Over the course of the financial year, the Group received a slew of accolades, celebrating its unwavering commitment to delivering unparalleled patient care and its efforts to redefine benchmarks for excellence in the healthcare sector.

TMC was awarded the 2022 President's Certificate of Commendation (COVID-19) from President Halimah Yacob at the Investiture of the National Awards (COVID-19) in Singapore, which acknowledges our Thomson Angels' selfless dedication in providing the best care to our patients as we navigated the challenges from the pandemic. Our Thomson Angels, which forms the core of Thomson Medical's brand of care, go above and beyond to deliver quality care and excellent service to our patients daily.

Over in Malaysia, maintaining the Group's strength in fertility services, THKD took home the Innovative Technology in the Healthcare Sector for Fertility Treatments title at the ASEAN International Business Review Awards 2022. Likewise in September 2022, it received the Award for Outstanding Adolescents Vaccination Contribution by Private Hospital from Malaysia's Ministry of Health. During the GlobalHealth Asia Pacific Awards 2022, THKD also bagged the Gastroenterology Service Provider of the Year in Asia Pacific accolade.

Meanwhile, TMC is proud to have received 76 awards at the Singapore Health Quality Service Awards ("SHQSA") 2023, in honour of our Thomson Angels. This includes 1 Superstar, 12 Star, 22 Gold and 41 Silver awards, which reflect our strong commitment to the best possible patient care.

Likewise, at the GlobalHealth Asia-Pacific Awards 2023, TMC received the prestigious Women & Children Service Provider of the Year title. At the same event, THKD was also recognised as the Advanced Paediatrics Service Provider of the Year in Asia-Pacific, as well as the Specialist Hospital of the Year in Asia-Pacific.

Last but not least, at the Healthcare Asia Awards 2023, TMC was awarded as Specialty Hospital of the Year, which acknowledges the commitment

and perseverance of our team in striving to provide the highest quality of care to every patient. At the same event, THKD also bagged the Allied Health Initiative of the Year title for Malaysia, in recognition of our commitment to improving hospital operations.

Building Our Leadership Bench Strength

At the same time, to enhance our management depth and drive the Group's continued growth and expansion, the Board has elevated Mr Kiat Lim to the role of Executive Vice-Chairman and appointed Dr Melvin Heng as TMG's Executive Director and Group Chief Executive Officer in 2022.

As Executive Vice-Chairman, Mr Kiat Lim is responsible for the Group's strategic direction and overall growth strategies, which includes mergers and acquisitions. Mr Lim helmed the Group's most recent acquisition of Vietnam's FV Hospital, representing SEA's largest healthcare transaction since 2020 and Vietnam's largest-ever healthcare deal. He also oversees the Group operations together with TMG's Group CEO.

Dr Melvin Heng, who assumed his role at TMG in December 2022, oversees the Group's operations and development and has already contributed his insights and expertise to the recent acquisition of Vietnam's FV Hospital. He is a physician and healthcare executive with more than 10 years of experience across hospital management, primary and specialist clinics, teleradiology, MedTech and aeromedical evacuations. As an investor and advisor for several healthtech companies, and having co-founded few healthcare services companies, his breadth of experience across the healthcare



Executive Vice-Chairman Kiat Lim and Executive Director and Group CEO Dr Melvin Heng.



value chain will help to steer the Group towards continuous expansion and growth.

In the coming year, as Thomson Medical Group seeks to expand our footprint both geographically as well as in service offerings, we will continually be on the lookout for high quality talent that will fuel our growth aspirations.

Appreciation

As we close another financial year, I would like to take this opportunity to express my heartfelt gratitude to the Board, management and our Thomson family for their hard work, commitment and dedication. I would also like to thank our patients, business partners, bankers and shareholders for their continued trust and support.

Looking ahead, as we embark on the next stage of TMG's transformation journey together, I look forward to growing our leadership in the region, and the Group's continued success in maximising sustainable value for all our stakeholders.

NG SER MIANG

Chairman, Non-Executive and Independent Director

“

Looking ahead, as we embark on the next stage of TMG's transformation journey together, I look forward to growing our leadership in the region, and the Group's continued success in maximising sustainable value for all our stakeholders.

YEAR IN REVIEW 2023



OCTOBER 2022

Supporting Ministry of Health with Paediatric Vaccination Centres

With the increasing circulation of Omicron subvariants, average daily COVID-19 infections in the community had been on the rise. To ensure that children attain a minimum level of protection and remain up-to-date with their vaccinations, the Ministry of Health set up five designated Vaccination Centres ("VCs") which commenced operations in 25 October 2022, of which Thomson Medical ran two of these VCs at Our Tampines Hub and One Punggol.

JANUARY 2023

2022 President's Certificate of Commendation (COVID-19)

Over the past three years, Thomson Medical has been a dedicated contributor to Singapore's healthcare community in the fight against COVID-19. The 2022 President's Certificate of Commendation (COVID-19), received from President Halimah Yacob during the Investiture of the National Awards (COVID-19), serves as a significant recognition of our commitment and contributions during the pandemic.



MARCH 2023

Specialty Hospital of the Year at Healthcare Asia Awards 2023

Thomson Medical Centre ("TMC") has achieved the notable distinction of being awarded Specialty Hospital of the Year at the Healthcare Asia Awards 2023. This recognition is a testament to our team's unwavering dedication and tireless efforts in providing the highest standard of care to mothers and newborns.

Accreditation by Australian Council on Healthcare Standards for Thomson Hospital Kota Damansara

Thomson Hospital Kota Damansara obtained the Australian Council on Healthcare Standards ("ACHS") EQUIP7 Accreditation for Cancer Services on 30 March 2023, cementing our capacity to fulfill established standards of care which are safe, effective and accessible. This is on top of other notable achievements by THKD as it continues to expand its services to include palliative care medicine, ophthalmology & vitreoretinal surgery amongst others.



MAY 2023

GlobalHealth Asia-Pacific Award for Women & Children Service Provider of the Year

Thomson Medical has been honoured with the prestigious GlobalHealth Asia-Pacific Award for Women & Children Service Provider of the Year. This award underscores our commitment to excellence and we extend gratitude to our patients for entrusting us with their healthcare needs, affirming our ongoing dedication to exceptional care and support.

JUNE 2023

Serving you better with upgrades of facilities and infrastructure

We have rebranded Thomson Wellth as Thomson Specialists (Paragon), a multi-disciplinary specialist centre to serve you better. We have added a new specialist centre in Woodleigh, which will offer integrated care for women across a range of specialties relevant to different life stages, including endocrinology, obstetrics and gynaecology, colorectal and ophthalmology. As part of the Group's Thomson Digital Transformation Efforts to improve security and productivity in accessing patient's records, the Electronic Medical Records ("EMR") was rolled out recently. We also brought in new facilities like the Dual-energy X-ray Absorptiometry ("DXA") machine which facilitates the measurement of Bone Mineral Density ("BMD") and conducts body composition analysis.



JULY 2023

Expanding our Southeast Asia Network with FV Hospital in Vietnam

In July 2023, Thomson Medical Group announced that it will be acquiring Vietnam's FV Hospital for an enterprise value ("EV") of US\$328.5 million (or approximately S\$445.3 million). The deal highlights the increasing importance of Vietnam's thriving healthcare market and paves the way for the Group to realise its Southeast Asian expansion strategy. Our acquisition of FV Hospital is not only the addition of a strategic asset to the Group, but also represents our entry into a fast-growing market and the opportunity to tap into many other opportunities across the healthcare value chain.

BOARD OF DIRECTORS

MR NG SER MIANG, 74

Chairman, Non-Executive and Independent Director

Mr Ng was appointed Non-Executive Independent Chairman on 1 December 2015 and was last re-elected on 27 October 2022. He currently chairs the Nominating and Remuneration Committee.

Mr Ng holds directorships in various companies and was also Singapore's non-resident Ambassador to Norway and Hungary. He is the Chairman of Dunman High School Advisory Committee, Chairman of the Singapore Olympic Foundation and Fundacion Valencia Club de Futbol De La Comunidad Valenciana, and the Vice President of the International Olympic Committee Executive Board and chairs its Finance Commission and Group Staff Pension Fund Foundation Board. Mr Ng was also a Nominated Member of Parliament from 2002 to 2005.

Mr Ng received multiple honours and awards in recognition of his contributions to public service, including SG50 Outstanding Chinese Business Pioneers Award, the National Trades Union Congress Distinguished Service (Star) Award, Meritorious Service Medal by the Singapore Government, and the Commander's Cross – Order of Merit (Civil Division) from the Hungarian President.

Mr Ng holds a Bachelor of Business Administration (Honours) from the University of Singapore and is a Chartered Fellow at the Chartered Institute of Transport.

MR LIM WEE KIAT, 30

Executive Vice-Chairman

Mr Lim was appointed to the Board on 15 March 2019 and was last re-elected on 22 October 2021. He was appointed as Chief Executive Officer of Thomson X, a subsidiary of the Company and was re-designated from Non-Executive to Executive Director of the Company on 1 January 2022. On 1 September 2022, Mr Lim was appointed as Executive Vice-Chairman of the Group. Mr Lim is responsible for the overall growth strategies for the Group and also works with the Board to grow the Group's business through mergers and acquisitions, particularly for core hospital services in fast-growing economies in Southeast Asia.

After graduating from the University of New South Wales Australia with a Bachelor of Science in Psychology, Mr Lim started his career with Kestrel Capital Pte Ltd as Vice President (Investments). He was involved in various investments and corporate finance transactions, including a very substantial acquisition, and a distribution in-specie.

Mr Lim has an extensive network of business contacts and was involved in business development activities for the RSP Group where he brought in regional business opportunities. He was also involved in starting new companies together with like-minded entrepreneurs to invest in emerging sectors such as healthcare technology, technology platforms and Esports. Mr Lim holds directorship in various companies that he has co-founded or invested in.

DR HENG JUN LI MELVIN, 40

Executive Director and Group Chief Executive Officer

Dr Heng was appointed as Executive Director and Group Chief Executive Officer on 1 December 2022. He leads and manages the Group and works actively with the Board and Management to set the overall strategic direction focused on driving business operations and growth of the Group.

Dr Heng is a physician and healthcare executive with more than 10 years of experience in hospital management, primary and specialist clinics, teleradiology, MedTech and aeromedical evacuations. Dr Heng is a medical advisor and investor in several MedTech companies such as Mesh Bio and Global Health Byte (now UNO Technologies). From 2016 to 2018, Dr Heng served as an advisor to the Ministry of Health in the Primary Care IT sub-committee for National Electronic Health Records and GP Connect. Before joining Thomson Medical, Dr Heng was with Gleneagles Hospital where he held various leadership positions including Chief Executive Officer and Chief Operating Officer. From 2009 to 2015, Dr Heng was a medical doctor with the National Health Service (United Kingdom) and Tan Tock Seng Hospital. After leaving the public service, Dr Heng co-founded an aeromedical evacuation company (Global Medical Concierge) and was also an equity partner at OneCare Medical, a chain of primary care clinics. He is currently a Non-Independent and Non-Executive Director of TMC Life Sciences Berhad.

MR WILSON SAM, 47

Executive Director and
Group Chief Financial Officer

Dr Heng was awarded the Public Service Medal (COVID-19) by the Singapore Government in 2023.

Dr Heng graduated from the St George's Hospital Medical School in London with a Bachelor of Medicine and Bachelor of Surgery ("**MBBS**"). He holds a Master of Business Administration ("**MBA**") from the Frankfurt School of Finance and Management and has a Graduate Diploma in Occupational Medicine ("**GDOM**") from the National University of Singapore ("**NUS**").

Mr Sam was appointed to the Board on 15 March 2019 as Executive Director and Group Chief Financial Officer and was last re-elected on 22 October 2021. Mr Sam is responsible for providing leadership to the Group's financial and management reporting, corporate finance, treasury, investor relations and corporate and regulatory compliance of the Group. Mr Sam holds directorships in various companies and is currently a Non-Executive and Non-Independent Director of Secura Group Limited.

Mr Sam has over 20 years of experience in finance, investments and advisory in Singapore. Prior to joining the Group, he was with Kestrel Capital Pte Ltd as Senior Vice President (Investments) where he was leading merger and acquisition activities, investment execution and management.

Mr Sam holds a Bachelor of Business Studies (Honours) with a major in financial analysis and a minor in accountancy from Nanyang Technological University. He is also a CFA charter holder.

MS WAN NADIAH BINTI WAN MOHD ABDULLAH YAAKOB, 39

Executive Director and Group Chief
Executive Officer – TMC Life Sciences
Berhad

Ms Nadiah was appointed to the Board on 1 January 2022 and was last re-elected on 27 October 2022. She is also the Group Chief Executive Officer of TMC Life Sciences ("**TMCLS**") and was appointed Executive Director of TMCLS since February 2019. She is also the Chief Executive Officer of Thomson Hospital Kota Damansara since June 2017. Since May 2021, she also serves as a Director of the Institute of Corporate Directors Malaysia.

Prior to joining TMCLS and Thomson Hospital Kota Damansara, Ms Nadiah was the Chief Operating Officer at Sunway Medical Centre after being promoted from Director of Business Development and Corporate Communications in October 2016. She started her career at The Boston Consulting Group in 2007 as an Associate Consultant before joining Sunway Group as Manager, Strategy and Corporate Development in 2010.

Ms Nadiah holds a Master of Science in Public Health (Nutrition) degree from the London School of Hygiene and Tropical Medicine, UK and an *AB cum Laude* in Biochemical Sciences from Harvard College, USA. She is a member of the Forum of Young Global Leaders Class of 2020 and currently serves as President of the Harvard Club of Malaysia.

BOARD OF DIRECTORS

MR ONG PANG LIANG, 64

Independent Director

Mr Ong was appointed to the Board on 1 January 2016 and was last re-elected on 27 October 2022. He currently chairs the Audit and Risk Committee and sits on the Nominating and Remuneration Committee.

Mr Ong has over 25 years of experience in banking and finance. His career in various international banks covered management responsibilities in capital markets, treasury operations and corporate banking. He spent 15 years in Bank of America where he was a Managing Director and held positions such as Head of Foreign Exchange in Singapore and General Manager of Shanghai Branch, People's Republic of China. Subsequent to his banking career, Mr Ong spent a number of years in the corporate business sector. He was Chief Financial Officer and Finance Director of companies listed on the Mainboard of the SGX-ST. Mr Ong is currently an Independent Director of Secura Group Limited, a company listed on the SGX-ST.

Mr Ong graduated from the National University of Singapore in 1983 with a Bachelor of Business Administration.

DR LAM LEE G, 64

Independent Director

Dr Lam was re-appointed to the Board on 2 May 2019. He was last re-elected as director on 23 October 2020. He currently sits on the Audit and Risk Committee.

Dr Lam has extensive international experience in general management, strategy consulting, policy advocacy, corporate governance, direct investment, investment banking and asset management. He started his career in Canada at Bell-Northern Research (the research and development arm of Nortel) and Bell Canada, and later he returned to Hong Kong to serve as a General Manager of Hongkong Telecom, Vice President and Managing Partner - Greater China of the international management consulting firm A.T. Kearney, Executive Director of Singapore Technologies Telemedia (a member of Temasek Holdings), Vice-Chairman and COO of Investment Banking Division of BOC International Holdings (the international investment banking arm of the Bank of China group), President & CEO and Vice-Chairman of the Board of Chia Tai Enterprises International Limited (now C.P. Lotus Corporation) of multinational conglomerate CP Group, Chairman - Hong Kong and ASEAN Region and Senior Adviser - Asia, of Macquarie Capital, Non-Executive Chairman - Greater China and ASEAN Region and Chief Advisor - Asia, of Macquarie Infrastructure and Real Assets, and Senior Advisor, Macquarie Group Asia.

Dr Lam holds a Master of Systems Science and a Master of Business Administration from the University of Ottawa, a Master of Public Administration and a Doctor of Philosophy from the University of Hong Kong, and a Master of Laws from the University of Wolverhampton. Dr Lam is also a Solicitor of the High Court of Hong Kong, a Fellow of Certified Management Accountants ("CMA") Australia, the Hong Kong Institute of Arbitrators, and the Hong Kong Institute of Directors, an Honorary Fellow of Certified Public Accountants ("CPA") Australia, the Hong Kong Institute of Facility Management and the University of Hong Kong School of Professional and Continuing Education, and a Distinguished Fellow of the Hong Kong Innovative Technology Development Association.

MS CHRISTINA TEO TZE WEI, 50

Independent Director

Ms Teo was appointed to the Board on 1 January 2022 and was last re-elected on 27 October 2022. She currently sits on the Nominating and Remuneration Committee.

Ms Teo has over 20 years of experience in private equity, leveraged buyouts, and mergers and acquisitions, having led numerous investments globally with notable deals including Jaya Holdings, Crystal Jade, 2XU, Seafolly, RM Williams, Guiseppe Zanotti and Cristiano Ronaldo's global image rights.

She is the co-founder and currently, the CEO of Singapore-based start-up UCARE.AI, an award-winning artificial intelligence ("AI")-powered technology enabler for health data and solutions with esteemed customers including Singapore's Ministry of Health, Great Eastern Life Assurance and Parkway Pantai. She brought UCARE.AI to its Series A financing phase, launched its AI-powered predictive hospital bill estimation system throughout Parkway Pantai's Singapore hospitals, and won a tender to deploy its Claims Analytics System for Singapore's Ministry of Health. She is currently an Independent Director of Secura Group Limited and is also appointed to the Data Protection Advisory Committee to advise the Personal Data Protection Commission on matters relating to the review and administration of the personal data protection framework.

Prior to co-founding UCARE.AI in 2016, she was the CEO of Catpital, Managing Director at L Capital Asia (LVMH), and held other senior investment positions at Affinity Equity Partners and Deutsche Bank's Strategic Investments Group.

Ms Teo graduated with a Master of Business Administration from Harvard Business School in 2002 and a Bachelor of Business Administration (Finance), Honours, from the National University of Singapore in 1995.

MS JUNE LEONG LAI LING, 49

Independent Director

Ms Leong was appointed to Board on 1 January 2022 and was last re-elected on 27 October 2022. She currently sits on the Audit and Risk Committee.

Ms Leong has over 20 years of experience in banking and finance. She is the CEO of Alpha Goal International, a dedicated single-family office that invests in a variety of asset classes around the world. She has held senior positions at China International Capital Corporation in Singapore and Hong Kong, was Executive Director at Standard Chartered Bank Private Wealth Management, and Executive Director at Goldman Sachs. She is currently an Independent Director of TMC Life Sciences Berhad.

Ms Leong graduated with a Master of Business Administration from Peking University and a Bachelor of Science in Engineering with Management from King's College, London.

FURTHER INFORMATION ON BOARD OF DIRECTORS

MR NG SER MIANG, 74

Chairman, Non-Executive and Independent Director

Academic and Professional Qualifications:

- Bachelor, Business Administration (Honours), University of Singapore
- Chartered Fellow, The Chartered Institute of Transport, Singapore

Date of First Appointment as Director:

1 December 2015

Date of Last Re-Election as Director:

27 October 2022

Board Committee (s) served on:

- Nominating and Remuneration Committee (Chairman)

Current Directorships in Other Listed Companies:

Nil

Other Directorships / Principal Commitments:

Directorships

- Magic Dragon Media Pte Ltd
- NCI Golf Pte Ltd
- OMS Distripark Pte Ltd
- Orchid Marine Services Private Limited
- Singapore Olympic Foundation (Chairman)
- TIBS International Pte Ltd (Chairman)
- Valencia Club de Futbol, S.A.D.

Principal commitments

- International Olympic Committee ("IOC")
 - Vice President of IOC Executive Board
 - Chairman of IOC Finance Commission
 - Chairman of Human Resources
 - Chairman of IOC Group Staff Pension Fund Foundation Board

Member of

- IOC's Executive Board
- Olympic Foundation's Board
- Olympic Foundation for Culture and Heritage's Board
- Pension Fund's Foundation for IOC Group's personnel
- IOC Television and Marketing Services SA's Board of Directors
- Olympic Channel Services SA's Board of Directors
- Games Management 2020 Steering Committee
- Coordination Commission Olympic Winter Games Beijing 2022
- Coordination Commission Coordination for the Games of the XXXIV Olympiad Los Angeles 2028

Past Directorships held over the preceding 3 years in other Listed Companies:

Nil

MR LIM WEE KIAT, 30

Executive Vice-Chairman

Academic and Professional Qualifications:

- Bachelor of Science in Psychology, University of New South Wales Australia

Date of First Appointment as Director:

15 March 2019

Date of Last Re-Election as Director:

22 October 2021

Board Committee (s) served on:

Nil

Current Directorships in Other Listed Companies:

Nil

Other Directorships / Principal Commitments:

Directorships

- CO92 Foundation Limited
- FVH Singapore Pte Ltd
- Grvty Media Pte Ltd
- Hatch Health Pte Ltd
- Kestrel360 Pte Ltd
- Kestrel Investments Pte Ltd
- Klouder Limited
- Mint Media Sports Pte Ltd
- RSP Architects Planners & Engineers (Pte) Ltd
- RSP Holdings Pte Ltd
- RSP TopCo Pte Ltd
- Sasteria (M) Pte Ltd
- Sasteria Pte Ltd
- Sasteria (VN) Pte Ltd
- SelectStart Pte Ltd
- Singapore Esports Association (Vice President and Board member)
- SL8 Pte Ltd
- Squire Mech Pte Ltd
- Thomson X Pte Ltd
- Towerhill Pte Ltd
- Valencia Club De Futbol, S.A.D.
- Zuju GamePlay Pte Ltd
- ZujuGP Pte Ltd

Past Directorships held over the preceding 3 years in other Listed Companies:

Nil

DR HENG JUN LI MELVIN, 40

Executive Director and
Group Chief Executive Officer

Academic and Professional Qualifications:

- Bachelor of Medicine and Bachelor of Surgery ("MBBS"), University of London, St George's Hospital
- Graduate Diploma Occupational Medicine, National University of Singapore
- Masters of Business Administration, Frankfurt School of Finance & Management

Date of First Appointment as Director:

1 December 2022

Date of Last Re-Election as Director:

N.A.

Board Committee (s) served on:

Nil

Current Directorships in Other Listed Companies:

- TMC Life Sciences Berhad

Other Directorships / Principal Commitments:**Directorships**

- Astrid Park Capital Pte Ltd
- FVH Singapore Pte Ltd
- Mesh Bio Pte Ltd
- PCC Products Pte Ltd
- Sasteria (M) Pte Ltd
- Sasteria Pte Ltd
- Sasteria (VN) Pte Ltd
- Skies VB Sdn Bhd
- Smartparents Pte Ltd
- Thomson International Health Services Pte Ltd
- Thomson Kids Pte Ltd
- Thomson Medical Pte Ltd
- Thomson Paediatric Centre Pte Ltd
- Thomson Specialists Pte Ltd
- Thomson Women's Cancer Centre Pte Ltd
- Thomson Women's Clinic Holdings Pte Ltd
- Thomson X Pte Ltd
- Vantage Bay JB Sdn Bhd

Past Directorships held over the preceding 3 years in other Listed Companies:

Nil

MR WILSON SAM, 47

Executive Director and
Group Chief Financial Officer

Academic and Professional Qualifications:

- Bachelor of Business Studies (Honours), Nanyang Technological University
- Chartered Financial Analyst

Date of First Appointment as Director:

15 March 2019

Date of Last Re-Election as Director:

22 October 2021

Board Committee (s) served on:

Nil

Current Directorships in Other Listed Companies:

- Secura Group Limited

Other Directorships / Principal Commitments:**Directorships**

- Adifore Finance Ltd
- Arnel Services S.A
- FVH Singapore Pte Ltd
- Grvty Media Pte Ltd
- Hatch Health Pte Ltd
- Klouder Limited
- Mint Media Sports Limited
- Mint Media Sports Pte Ltd
- PCC Products Pte Ltd
- PT Thomson Medical (Commissioner)
- Sasteria (M) Pte Ltd
- Sasteria Pte Ltd
- Sasteria (VN) Pte Ltd
- Skies VB Sdn Bhd
- Smartparents Pte Ltd
- Thomson International Health Services Pte Ltd
- Thomson Kids Pte Ltd
- Thomson Medical Pte Ltd
- Thomson Paediatric Centre Pte Ltd
- Thomson Specialists Pte Ltd
- Thomson Women's Cancer Centre Pte Ltd
- Thomson Women's Clinic Holdings Pte Ltd
- Thomson X Pte Ltd
- Vantage Bay JB Sdn Bhd
- Zuju Gameplay Pte Ltd
- ZujuGP Pte Ltd

Past Directorships held over the preceding 3 years in other Listed Companies:

- TMC Life Sciences Berhad

MS WAN NADIAH BINTI WAN MOHD ABDULLAH YAAKOB, 39

Executive Director and Group Chief
Executive Officer – TMC Life Sciences
Berhad

Academic and Professional Qualifications:

- MSc. Public Health (Nutrition) from The London School of Hygiene & Tropical Medicine
- AB *cum laude*, Biochemical Sciences from Harvard College
- Mandatory Accreditation Programme from The ICLIF Leadership and Governance Centre
- J&J Hospital Management Programme from Singapore Management University

Date of First Appointment as Director:

1 January 2022

Date of Last Re-Election as Director:

27 October 2022

Board Committee (s) served on:

Nil

Current Directorships in Other Listed Companies:

- TMC Life Sciences Berhad

Other Directorships / Principal Commitments:**Directorships**

- BB Waterfront Sdn Bhd
- Institute of Corporate Directors Malaysia (Independent Director)
- IVF Technologies Sdn Bhd
- Skies VB Sdn Bhd
- Thomson Hospital Sdn Bhd (Director and Chief Executive Officer)
- TMC Biotech Sdn Bhd
- TMC Care Sdn Bhd
- TMC Lifestyle Sdn Bhd
- TMC Properties Sdn Bhd
- Thomson TCM Sdn Bhd
- TMC Women's Specialist Holdings Sdn Bhd
- Vantage Bay JB Sdn Bhd

Past Directorships held over the preceding 3 years in other Listed Companies:

Nil

FURTHER INFORMATION ON BOARD OF DIRECTORS

MR ONG PANG LIANG, 64

Independent Director

Academic and Professional Qualifications:

- Bachelor of Business Administration, National University of Singapore

Date of First Appointment as Director:

1 January 2016

Date of Last Re-Election as Director:

27 October 2022

Board Committee (s) served on:

- Chairman of Audit and Risk Committee
- Member of Nominating and Remuneration Committee

Current Directorships in Other Listed

Companies:

- Secura Group Limited

Other Directorships / Principal

Commitments:

Directorships

- Bluewater Investments Pte Ltd
- Valencia Club de Futbol, S.A.D.

Past Directorships held over the preceding 3 years in other Listed Companies:

Nil

DR LAM LEE G, 64

Independent Director

Academic and Professional Qualifications:

- Bachelor of Sciences and Mathematics, The University of Ottawa
- Master of Systems Science, The University of Ottawa
- Master of Business Administration, The University of Ottawa
- Postgraduate Diploma in Public Administration, Carleton University
- Master of Public Administration, The University of Hong Kong
- Doctor of Philosophy, The University of Hong Kong
- Bachelor of Laws (Honours), Manchester Metropolitan University
- Postgraduate Diploma in English and Hong Kong Law, Manchester Metropolitan University
- Master of Laws, The University of Wolverhampton
- Certificate in Professional Accountancy, The Chinese University of Hong Kong
- Postgraduate Certificate in Laws, City University of Hong Kong
- Solicitor, High Court of Hong Kong
- Honorary Fellow, CPA Australia Hong Kong
- Fellow, Hong Kong Institute of Directors
- Fellow, Hong Kong Institute of Arbitrators
- Fellow, CMA Australia
- Honorary Fellow, Hong Kong Institute of Facility Management
- Accredited Mediator, The Centre of Effective Dispute Resolution ("CEDR")
- Honorary Fellow, The University of Hong Kong School of Professional and Continuing Education ("HKU SPACE")
- Distinguished Fellow, The Hong Kong Innovative Technology Development Association

Date of First Appointment as Director:

2 May 2019

Date of Last Re-Election as Director:

23 October 2020

Board Committee (s) served on:

- Member of Audit and Risk Committee

Current Directorships in Other Listed

Companies:

- Alset International Limited
- Asia-Pacific Strategic Investments Limited
- AustChina Holdings Limited
- China LNG Group Limited
- CSI Properties Limited
- Elife Holdings Limited
- Greenland Hong Kong Holdings Limited
- Haitong Securities Company Limited
- Hang Pin Living Technology Company Limited
- Hong Kong Aerospace Technology Group Limited
- Huarong International Financial Holdings Limited
- Jade Road Investments Limited
- Kidsland International Holdings Limited
- Mei Ah Entertainment Group Limited
- Mingfa Group (International) Company Limited
- New Huo Technology Holdings Limited
- RENHENG Enterprise Holdings Limited
- Sunwah Kingsway Capital Holdings Limited
- Vongroup Limited

Other Directorships / Principal

Commitments:

Principal commitments

- Pacific Basin Economic Council Limited*
- United Nations Economic and Social Commission for Asia and the Pacific ("UNESCAP") Sustainable Business Network ("ESBN")*

* voluntary/pro-bono/community roles

Past Directorships held over the preceding 3 years in other Listed Companies:

- Aurum Pacific (China) Group Limited
- Beverly JCG Ltd
- China Shandong Hi-Speed Financial Group Limited
- Huarong Investment Stock Corporation Limited
- National Arts Entertainment and Culture Group Limited
- Sunwah International Limited
- Tianda Pharmaceuticals Limited
- TMC Life Sciences Berhad
- Top Global Limited

MS CHRISTINA TEO TZE WEI, 50**Independent Director****Academic and Professional Qualifications:**

- Master of Business Administration, Harvard Business School
- Bachelor of Business Administration (Finance), Honours, National University of Singapore

Date of First Appointment as Director:

1 January 2022

Date of Last Re-Election as Director:

27 October 2022

Board Committee (s) served on:

- Member of Nominating and Remuneration Committee

Current Directorships in Other Listed**Companies:**

- Secura Group Limited

Other Directorships / Principal**Commitments:**

Directorships

- uCare.io Pte Ltd
- Project eLeonie (Sole Proprietor)

Past Directorships held over the preceding**3 years in other Listed Companies:**

Nil

MS JUNE LEONG LAI LING, 49**Independent Director****Academic and Professional Qualifications:**

- Master of Business Administration, Peking University, Beijing
- BSc. in Engineering with Management, Kings College London, U.K.

Date of First Appointment as Director:

1 January 2022

Date of Last Re-Election as Director:

27 October 2022

Board Committee (s) served on:

- Member of Audit and Risk Committee

Current Directorships in Other Listed**Companies:**

- TMC Life Sciences Berhad

Other Directorships / Principal**Commitments:**

Nil

Past Directorships held over the preceding**3 years in other Listed Companies:**

Nil

KEY MANAGEMENT

MR TAN ZING YUEN

Chief Risk and Compliance Officer

Mr Tan is the Chief Risk and Compliance Officer ("**CRCO**") of Thomson Medical Group. Mr Tan joined Thomson Medical in September 2009 as Chief Financial Officer and was redesignated to CRCO on 1 May 2021.

From 2006 to 2009, Mr Tan was the Group Financial Controller in the Mediacorp Group. From 2002 to 2006, Mr Tan was the Chief Financial Officer of Energy Market Company Pte Ltd. Prior to this, Mr Tan has held key financial positions in several public listed companies namely, as Finance Director in Courts Singapore Limited and as Chief Financial Officer of Nippcraft Limited Group and Flairis Technology Corporation Limited Group. Mr Tan began his career in 1980 as an Audit Assistant with the then Price Waterhouse, now known as PricewaterhouseCoopers ("**PwC**").

Mr Tan holds a Bachelor of Accountancy degree from University of Singapore and is a Fellow Member of the Institute of Singapore Chartered Accountants.

DR DANIEL LEE HSIEN CHIEH

Chief Executive Officer,
Thomson Medical Singapore

Dr Lee joined Thomson Medical as Senior Director, Operations in 2018 and was promoted to General Manager and Chief Operating Officer in 2020 overseeing all business operations of Thomson Medical Centre. On 1 July 2022, Dr Lee was appointed Chief Executive Officer of Thomson Medical Centre. He was appointed as Chief Executive Officer, Thomson Medical Singapore, with effect from 1 February 2023.

Dr Lee began his professional career in Internal Medicine and has more than 18 years of experience in the healthcare sector. He is a Public Health specialist and a Fellow of the Academy of Medicine Singapore. Before joining Thomson Medical, Dr Lee was with Changi General Hospital ("**CGH**") where he held various leadership positions in hospital operations and clinical services, directing Service Operations, Clinical Operations, Clinical Quality, and Clinical Planning & Development. He oversaw key public-private partnerships and was involved in the hospital's successful reaccreditation by the Joint Commission International ("**JCI**") in 2017. Dr Lee was also part of the leadership team that pioneered the transformation journey from volume-based to value-based healthcare in CGH partnering with Geisinger Health System, USA.

From 2009 to 2010, Dr Lee served with the Health Regulation Group and Epidemiology & Disease Control Division at the Singapore Ministry of Health, where he was awarded the Permanent Secretary (Health) Award in 2010. He is an elected Council Member of the Singapore Medical Association ("**SMA**") since 2012. He is also an elected Executive Committee Member of the Fulbright Association (Singapore) since 2011. Dr Lee sits in the Management Committee of the St Andrew's Community Hospital as well as the Council of the Advertising Standards Authority of Singapore ("**ASAS**") and the ASAS Health & Wellness Sub-Committee.

Dr Lee is a Fulbright Scholar. He graduated in the Dean's List with a Bachelor of Medicine and Bachelor of Surgery ("**MBBS**") from the National University of Singapore ("**NUS**"). He holds a Master of Public Health ("**MPH**") from Harvard University and also a Graduate Diploma in Family Medicine from NUS.

MR WONG YU CHEE

Interim Group Chief Financial Officer and Group Chief Accounting Officer — TMC Life Sciences Berhad

Mr Wong has over 26 years of experience in finance, audit, accounting and tax compliance services in Malaysia and Shanghai. Mr Wong started his career in 1996, joining a local audit firm as auditor. He then joined Coopers & Lybrand in 1997, now known as PwC. Mr Wong spent almost eight years in PwC and specialised in assurance assignments of large multinational company, public listed companies in various industries, initial public offers and corporate exercises. Mr Wong joined GlaxoSmithKline then as Finance Manager before he left Malaysia to join Ernst & Young Shanghai in 2005. Mr Wong spent three years in Ernst & Young Shanghai focusing on statutory audit assignment, initial public offer assurance assignment, corporate exercise and US audit assignment until he joined TMF Shanghai in 2008, leading the accounting and tax compliance services in TMF Shanghai for two years.

Mr Wong relocated back to Malaysia in 2010, as Director of Accounting & Tax Compliance Services in TMF Malaysia where he spent five years helping businesses on accounting and tax compliance including GST advisory and compliance services in TMF Malaysia. Mr Wong then joined PCA Corporate Services Sdn Bhd in 2015 as Group Chief Operating Officer before joining TMCLS as Group Chief Financial Officer on 3 August 2015. Mr Wong was re-designated as Group Chief Accounting Officer on 16 February 2022 and was appointed as interim GCFO on 30 June 2022.

Mr Wong is a Fellow Member of the Association of Chartered Certified Accountants, member of Malaysian Institute of Accountants and Associate Member of Chartered Tax Institute of Malaysia.

MS KWAN YEE MAN

Chief Executive Officer — TMC Women's Specialist Holdings Sdn Bhd, IVF Technologies Sdn Bhd and TMC Lifestyle Sdn Bhd

Ms Kwan joined the team in August 2019. She is currently the Chief Executive Officer of TMC Women's Specialist Holdings Sdn Bhd, IVF Technologies Sdn Bhd and TMC Lifestyle Sdn Bhd.

With 22 years of vast experience in the pharmaceutical and medical industries, Ms Kwan has played crucial roles in corporate management, business development and expansion across Malaysia and globally.

Upon graduating in 1999, she began her career at Subang Jaya Medical Centre as a pharmacist. Then she moved on and held key positions at leading pharmaceutical companies in Malaysia, overseeing principal accounts for pharmaceutical and vaccine supply chains. Subsequently, in 2006, she ventured into the beauty and wellness business in Singapore, proving her entrepreneurial ability by successfully establishing and building the business and operations. In 2009, she took on an active and critical role as the Pharmacy Manager in Assunta Hospital.

In 2016, she was appointed as Business Development Director of an Information Technology ("IT") healthcare software company. Eventually, she was appointed as the Chief Operating Officer of an IT project management firm in 2018, where she was responsible for projects throughout Southeast Asia.

Ms Kwan holds a degree in Pharmacy from Liverpool John Moores University in UK. She is also a member of Malaysian Pharmacy Board and a Licensed Pharmacist.



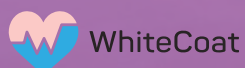
ADVANCING THE FUTURE

Seizing new opportunities to enhance patient care, we are strengthening our organisation with our digital transformation roadmap. By infusing innovative technology across our operations, we are advancing our commitment to celebrate lives in the region.

- LAUNCHED ELECTRONIC MEDICAL RECORD
at Thomson Medical Centre
- LAUNCHED ONCOLOGY & NUCLEAR MEDICINE FACILITY
at Thomson Hospital Kota Damansara
- SOFT LAUNCH OF FEMMILY APP



A collaboration between
Thomson X and Whitecoat



OPERATIONS REVIEW

FINANCIAL REVIEW

Financial Performance

The Group reported revenue of S\$355.8 million for its financial year ended 30 June 2023 ("FY2023"), up 6.6% from the previous year, buoyed by a rising influx of patient cases and higher healthcare spending.

For FY2023, revenue from its Hospital Services segment grew 14.6%. In Singapore, this was mainly driven by higher average bill sizes. In Malaysia, revenue continues to grow by 20.5% due to increased patient loads driven by opening of new beds at Thomson Hospital Kota Damansara ("THKD") and higher case intensity handled.

The Group recorded EBITDA of S\$103.3 million in FY2023, compared to S\$109.7 million in the financial year ended 30 June 2022 ("FY2022"), mainly due to lower income from project-related services and a reduced government grant received during the period.

For FY2023, EBITDA from the Group's Malaysian operations rose 43.7% to S\$21.7 million. In Malaysian Ringgit terms, the EBITDA amounted to RM71.7 million, representing a growth of 52.4%.

One of the key contributors to Malaysia's strong growth is due to increased patient loads driven by the 145 new beds at the expansion wing at THKD and higher case intensity handled. The balance of approximately 200 beds is expected to be commissioned in the next two years.

Other operating expenses increased to S\$80.7 million during FY2023, from S\$70.5 million in FY2022, driven by higher professional fees incurred for potential acquisitions and higher operating costs from the new expansion wing at THKD. Staff costs during FY2023 also rose 9.3% from the previous year following additional headcount in Malaysia after the opening of THKD's new expansion wing, as well as stiffer competition for talent in the healthcare sector.

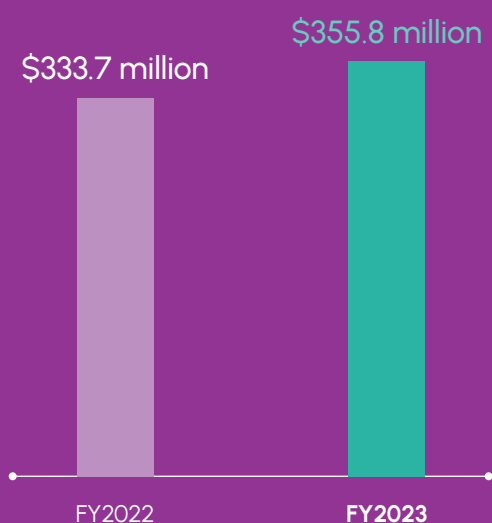
Net finance costs rose 18.0% year-on-year to S\$26.6 million, due to the recognition of interest on bank loan relating to THKD's new expansion wing, and higher interest rates during the financial year compared to the same period last year.

Net profit after tax was S\$41.1 million in FY2023, compared to S\$58.6 million in FY2022.





The Group reported revenue of S\$355.8 million for its financial year ended 30 June 2023 ("FY2023").



Financial Position and Cash Flows

Total assets of the Group of \$1.45 billion as at 30 June 2023 were higher compared to \$1.36 billion as at 30 June 2022. The increase was mainly due to the increase in trade and other receivables as a result of higher revenue generated, as well as the proceeds from issuance of \$120 million 5.5% Notes in May 2023. The increase was partially offset by the loss in translation on the assets denominated in Ringgit Malaysia, as a result of the depreciation of Ringgit Malaysia against Singapore Dollars.

Total liabilities of the Group of \$872.3 million as at 30 June 2023 were higher compared to \$756.6 million as at 30 June 2022. The increase was mainly due to the issuance of \$120 million 5.5% Notes in May 2023 and the additional loans drawn down to fund the construction costs at THKD during the period.

Total equity of the Group was at \$575.4 million as at 30 June 2023 compared to \$608.3 million as at 30 June 2022. The decrease was mainly due to the movement in foreign currency translation reserve as a result of the depreciation of Ringgit Malaysia against Singapore Dollar, as well as the dividends paid to shareholders of the Company, which is partially offset by the net profit generated during the period.

The Group recorded a net increase in cash and cash equivalents during FY2023 of \$129.4 million. The net increase was mainly due to the increase in net cash flows from operations of \$88.6 million and proceeds from interest-bearing loans and borrowings of \$366.1 million. The increase was partially offset by the cash flow used to purchase property and equipment amounting to \$11.2 million, purchase of intangible assets amounting to \$1.6 million, payments of loan interests and lease liabilities amounting to \$37.7 million, repayment of interest-bearing loans and borrowings of \$242.6 million, and dividends paid to shareholders of the Company of \$30.4 million.

OPERATIONS REVIEW

SINGAPORE OPERATIONS

NEW HOSPITAL SERVICES AND FACILITIES

Thomson Medical continuously enhances its core infrastructure and facilities, striving for ongoing improvements and upgrades. Additionally, the integration of new technologies further reinforces our commitment to provide the best possible care for our patients.

Dual-energy X-ray Absorptiometry ("DXA") Machine at Thomson Diagnostic Imaging Centre

We have introduced the Dual-energy X-ray Absorptiometry ("DXA") machine at our Thomson Diagnostic Imaging Centre located within the Thomson Medical Centre which facilitates the measurement of Bone Mineral Density ("BMD") and conducts body composition analysis. The DXA machine operates by utilizing minimal amounts of X-ray radiation to generate a comprehensive total body image. This X-ray consists of two energy levels that are differentially absorbed by bone, lean tissue, and fat tissue. The computer software subsequently calculates the distribution of bone, lean tissue, and fat tissue across the entire body as well as specific regions.

The DXA machine examination process takes place on a comfortable, cushioned table, ensuring a painless experience that usually lasts under 10 minutes. This non-invasive procedure serves to screen conditions such as Osteoporosis, Cystic Fibrosis, and Obesity, offering valuable diagnostic insights through the capabilities of the DXA machine. We welcome all doctors to refer patients for screening, with the referring physician receiving a comprehensive post-screening report for in-depth analysis and discussion with their patients.

Launch of Electronic Medical Record ("EMR") at Thomson Medical Centre

Thomson Medical Centre has successfully launched the Electronic Medical Record ("EMR") system as a pivotal component of our ongoing Thomson Digital Transformation initiative. The EMR implementation significantly enhances both security and productivity, particularly concerning the accessibility of patients' records.



Incorporating new technology such as the DXA machine to enhance patient's experience.

The EMR system's launch aligns with our preparations for the adoption of the National Electronic Health Record ("NEHR"), and it has been seamlessly integrated across all key departments, including wards, delivery suites, NICU, Nursery, Day Surgery, and the Operating Theatre. It serves as a vital tool in our journey towards digitalising patients' medical records. It also enables us to improve the standard of care across various healthcare settings while simultaneously monitoring patient outcomes. This translates to a more streamlined and effective delivery of healthcare services, ultimately resulting in enhanced patient care for our valued patients.

SPECIALISTS CENTRES

Elective Egg Freezing at Thomson Fertility Centre

The Singapore Government's White Paper on Women's Development released in March 2022, introduced a substantial policy enabling women aged 21 to 35 to undergo elective egg freezing, regardless of marital status, to protect fertility. In response, in May 2023, the Ministry of Health ("MOH") extended the age criterion for egg freezing from 35 to 37, and elective egg freezing is available in Singapore since July 2023.



THOMSON EGG FREEZING

Thomson Fertility Centre serves as a provider of elective egg freezing services, ensuring that individuals have access to this vital fertility preservation choice. In their capacity as experts in this field, Thomson Fertility Centre's Medical Director, Dr Loh Seong Feei, and Fertility Specialist, Dr Janice Tung, have been prominently featured in various mainstream media outlets. Through these appearances, they have shared valuable insights about elective egg freezing, shedding light on its safety, benefits, and effectiveness.

VALUE ADDED SERVICES FOR PATIENTS

Delighting Paediatric Patients Through Creativity and Child-Friendly Amenities

At Thomson Medical, a core commitment has always been to restore joy to the faces of our young patients. As part of our commitment to paediatric care, we offer child-friendly amenities, including sensory craft kits designed to foster imaginative play. These efforts not only promote creativity but also enhance the comfort of children during their stay under our care.

Furthermore, our partnership with Happy-Go-Buddy has led to the establishment of an enchanting sensory play area on the hospital's fourth floor. This dedicated space caters to both paediatric inpatients and outpatients, providing them with an interactive play environment. Furnished with appropriately sized tables and chairs, the area also features a vending machine stocked with a range of 'Create & Play' Craft Kits. These kits are thoughtfully designed to involve children in enjoyable educational activities, elevating their time with us and bringing an extra touch of joy.

2023 Mommy's Bag - A New Beginning

Thomson Medical has taken the initiative to assemble the 'A New Beginning' bag exclusively for our 2023 Thomson Mommies. This gesture stands as both a symbolic representation and a dedicated commitment to providing unwavering support to our expectant mothers. Carefully assembled, the thoughtfully curated bag

contains practical gifts tailored for both mothers and their newborns, encompassing a variety of essential items that cater to the requirements of both mother and baby. The selection includes vital items like adult and baby wipes, a nursing bra, lactation cookies, and specialized skincare for sensitive skin. Additionally, the bag features valuable discounts on playmats and breast pumps, offering support to mothers as they embark on their transformative journey into motherhood.

Launch of Thomson Nutri, the refreshed Thomson Confinement Food home delivery service

At Thomson Medical, we accompany mothers beyond childbirth – through the highs and lows, tears and joy, challenges, and growth. Aligned with this mission, we rebranded Thomson Confinement Food as Thomson Nutri, placing nutrition at our core. Our thoughtfully crafted confinement meals, designed with input from lactation consultants, TCM physicians, and dietitians, allow new mothers to enhance their recovery with nourishing food delivered to their doorstep. Through our revamped digital platform at www.ThomsonNutri.com which includes automated processes and optimised user experiences, we are furthering our commitment to providing comprehensive support and care for mothers while simultaneously taking innovative steps towards revolutionising the healthcare industry.



OPERATIONS REVIEW

COVID-19 OPERATIONS

Thomson Medical remains steadfast in our commitment to collaborate with health authorities, serve our patients, and engage stakeholders in the ongoing battle against COVID-19. In addition to facilitating access to available vaccinations and the latest COVID-19 tests, the Group actively contributes to Singapore's comprehensive defence strategies against the virus and supports the nation's journey towards becoming a COVID-19 resilient society.

Thomson Medical supports Vaccination Operations at Vaccination Centres

In response to escalating COVID-19 cases within the community, the Ministry of Health took proactive measures to safeguard children's well-being and ensure the continuity of their vaccination schedules. These efforts included approving the Moderna/Spikevax vaccine for children aged 6 months to 4 years, aimed at providing virus protection. Additionally, a PfizerBioNTech/Comirnaty vaccine booster dose was recommended for children aged 5 to 11 years to enhance resilience against COVID-19. To support this nationwide initiative, five designated Vaccination Centres ("VCs") were established and operationalised by October 2022.

Thomson Medical managed two of these VCs located at Our Tampines Hub and One Punggol. However, in line with the evolving pandemic situation, these VCs concluded operations in April 2023, adapting to the changing needs and priorities of the national vaccination strategy.

Conversion of COVID-19 Treatment Facility ("CTF") to Transitional Care Facility ("TCF")

In response to the nationwide fight against COVID-19, Thomson Medical responded to the Ministry of Health's ("MOH") call to establish and manage a COVID-19 treatment facility ("CTF") at Sengkang Community Hospital. The CTF specialises in hospital-based nursing care for COVID-19 patients, particularly vulnerable elderly individuals needing advanced interventions. Originally housing five wards with 164 beds in November 2021, the facility transitioned into a Transitional Care Facility ("TCF") in April 2022, aiding stepped-down care patients and freeing acute care beds. Presently, Thomson Medical oversees 199 TCF beds across six wards at Sengkang Community Hospital, with an average Bed Occupancy Rate ("BOR") of 85%, reinforcing our pivotal role in supporting Singapore's healthcare system.



Supporting Vaccination Operations through Thomson-managed vaccination centres.

FORAY INTO HEALTHTECH AND TELEMEDICINE

In May 2023, the joint venture company between Thomson X, the Group's digital arm, and telehealth provider WhiteCoat, soft launched the femmily app and achieved over 1,000 downloads within the first 3 months. Currently, femmily allows users to easily request for appointments from selected Thomson Medical obstetrics and gynaecology and dentists. Other services available includes nutritionists, physiotherapists, and mental wellness practitioners. All to provide a more holistic support for women's and children's health. femmily is also working to launch new digital support bundles with our Thomson Specialists at The Woodleigh Mall and Thomson Fertility Centre.



Winning 76 awards at the SHQSA is a testament to our commitment to service quality.

AWARDS

2022 President's Certificate of Commendation (COVID-19)

Over the past three years, Thomson Medical has been a dedicated contributor to Singapore's healthcare community in the fight against COVID-19. The 2022 President's Certificate of Commendation (COVID-19), received from President Halimah Yacob during the Investiture of the National Awards (COVID-19), serves as a significant recognition of our commitment and contributions during the pandemic. This honour reflects the dedication of our Thomson Angels and signifies our collective effort in providing exceptional care to patients as we transitioned into a post-pandemic era.

Singapore Health Quality Service Awards ("SHQSA") 2023

Thomson Medical's distinctive care approach is embodied by our dedicated Thomson Angels, who consistently go beyond the ordinary to deliver exceptional service and top-tier care, creating celebratory moments with our patients. This year, we take immense pride in receiving an impressive total of 76 awards at the Singapore Health Quality Service Awards ("SHQSA"), underscoring our commitment to exceptional patient care. This achievement includes a Superstar award, 12 Star awards, 22 Gold awards, and 41 Silver awards, reflecting the dedication and excellence of our Thomson Angels. We are especially proud of Ms Loh Jing Feng, who received the prestigious Superstar award for her outstanding commitment to maintaining exceptional customer experiences. Leveraging her background in the 5-star hospitality industry, Ms Loh's initiatives have raised service standards at Thomson Medical, contributing significantly to our overall excellence in patient care.



Our staff Ms Loh Jing Feng receiving the prestigious Superstar Award at the SHQSA.

OPERATIONS REVIEW



Specialty Hospital of the Year at Healthcare Asia Awards 2023

Thomson Medical Centre ("TMC") has achieved the notable distinction of being awarded Specialty Hospital of the Year at the Healthcare Asia Awards 2023. This recognition is a testament to our team's unwavering dedication and tireless efforts in providing the highest standard of care to mothers and newborns. At TMC, we value the uniqueness of each birthing experience and tailor our services accordingly, from diverse birthing options to comprehensive post-natal care, creating a nurturing environment for families during this significant time. This award underscores our commitment to excellence and we extend gratitude to our patients for entrusting us with their healthcare needs, affirming our ongoing dedication to exceptional care and support.

Best of Singapore 2023 by Tatler Asia

Thomson Chinese Medicine was also voted as "Best TCM Centre" by Tatler Asia under its Best of Singapore feature 2023. This is an annual feature carried out by the prestigious Tatler Asia magazine where it polls its pool of readers and editors to determine the best trusted brands in Singapore. The award is another testament to our unwavering commitment to healthcare excellence.



Receiving the GlobalHealth Asia-Pacific Award for Women & Children Service provider of the year.

GlobalHealth Asia-Pacific Award for Women & Children Service Provider of the Year

Thomson Medical has been honoured with the prestigious GlobalHealth Asia-Pacific Award for Women & Children Service Provider of the Year. This recognition pays tribute to our devoted team of Thomson Angels, highlighting their exceptional commitment and diligence. The award underscores our team's unwavering dedication to delivering high-quality patient care and reflects our continuous efforts to exceed expectations, creating exceptional healthcare experiences.

“

We value the uniqueness of each birthing experience and tailor our services accordingly, from diverse birthing options to comprehensive post-natal care, creating a nurturing environment for families during this significant time.

CORPORATE SOCIAL RESPONSIBILITY

Thomson Medical is dedicated to being an employer of choice, fostering professional growth and well-being for our employees. We recognise the positive impact of a conducive work environment on job satisfaction and overall organisational success. Our commitment extends to being a responsible corporate citizen, with proactive measures to benefit our communities. This social responsibility commitment aligns with our goal of excelling as a healthcare provider while creating a positive impact on our employees, communities, and the world at large.

Our continuous engagement with people and communities is outlined below. For a comprehensive overview of our sustainability approach, delve into our dedicated Sustainability Report. This report details initiatives spanning employee well-being, workplace health and safety, environmental conservation, community engagement, and beyond.



New lounge for doctors with its very own Nespresso machine and snack pantry.

Unveiling the new Thomson Medical Staff Lounge

Our staff members can now enjoy the convenience of a newly established staff lounge, thoughtfully furnished with a well-stocked snack pantry and a refrigerator. This lounge area is specially designed to provide our valued employees with a haven for relaxation, rejuvenation, and the opportunity to reconnect with colleagues. We are also pleased to cater to the needs of our working mothers by introducing a dedicated breastfeeding room, providing a private and comfortable space for lactating moms to attend to their needs.

Launch of new Thomson Lounge for Doctors

Thomson Medical Centre has introduced an exclusive lounge for doctors, offering a private retreat designed for relaxation and rejuvenation. This well-appointed space provides a serene environment where doctors can take a break and enjoy moments of respite. Equipped with amenities like a microwave, water dispenser, Nespresso machine, and stocked refrigerator, the lounge combines style and comfort, featuring a TV, massage chair, sleeping pod, and healthful snack minibar. This doctor-exclusive enclave serves as a tranquil haven, allowing physicians to unwind and recharge amidst their demanding schedules.



Opening the new Thomson Lounge for doctors.

OPERATIONS REVIEW

CORPORATE SOCIAL RESPONSIBILITY

Staff Bonding Activities

After two years of COVID-19 restrictions, staff were excited to participate in regular staff bonding activities where staff can let their hair down and interact with their co-workers in a different setting. One such session was a sightseeing trip to Penerang Desaru in Malaysia on 30 August 2022. More than 30 of our staff went for a fun-filled trip that includes visiting a local fruit farm, a crocodile farm including a sumptuous lobster seafood lunch at a local restaurant.



Staff bonding on a sightseeing trip to Penerang Desaru.

Doctor's Townhall

We hosted a significant Doctor's Townhall event at The Fullerton Hotel where we engaged in productive discussions with doctors and specialists. During this gathering, we unveiled our ambitious Transformation Plans for Thomson Medical, which encompass a comprehensive range of initiatives aimed at enhancing our digital infrastructure, modernising hospital facilities, and elevating the patient experience. The event included an exclusive preview of refreshed facilities at Thomson Medical Centre and forthcoming Thomson Specialists locations, fostering collaboration and alignment among our doctors. With their support, we are committed to upholding excellence and delivering the utmost care to our patients.



Participants at the Doctors' townhall.



Our leaders engaging staff's questions at the staff townhall.

Staff Townhall

Thomson Medical's Staff Townhall marked a significant occasion revealing comprehensive Transformation Plans, emphasising digital transformation, modernisation, and enhanced customer experience. Interactive sessions enabled leaders to engage and answer questions, fostering staff involvement. The event also acknowledged staff contributions, including award recognition, and introduced new leaders like Group CEO Dr Melvin Heng. The Townhall symbolised unity under a shared vision of growth, committing staff and leadership to elevate Thomson Medical's excellence and prioritize patient well-being.

Thomson Medical Partners HCSA Community Services to Raise Funds for Single Parents

Thomson Medical has partnered with HCSA Community Services to support single parents through the Dayspring SPIN program, reflecting our commitment to corporate social responsibility ("CSR"). To kickstart this initiative, we raised \$10,000 during Mother's Day and presented the contribution during a pregnancy seminar on 17 June 2023. This event underscores our dedication to making a real difference in the lives of those in need, aligning with our core values and social well-being commitment.

Thomson Medical Launched #LetterstoMyself – A Mother's Day Campaign

Thomson Medical launched the #LetterstoMyself campaign on Mother's Day, encouraging mothers to write introspective letters about their motherhood journey. Nearly 200 participants shared heartfelt letters on Thomson Medical's Instagram, fostering connection and empowerment among mothers. The campaign not only celebrated motherhood but also raised funds for single parents, reflecting our commitment to community well-being and support.



I Love Children Fertility Wellness Campaign

For the sixth year in a row, Thomson Fertility Centre ("TFC") and Thomson Chinese Medicine partnered with I Love Children ("ILC") for the Know Your Fertility Wellness Campaign. This educational initiative sponsored 200 fertility health checks by TFC and 50 Traditional Chinese Medicine ("TCM") fertility consultations by Thomson Chinese Medicine. Experts from both TFC and TCM shared insights at the Know Your Fertility Wellness Seminar 2023. They extended their outreach through media interviews and even used TikTok to engage a broader audience, emphasising our commitment to educate and empower couples on their fertility journey and positively impact the community.

Pregnancy and Parenting Seminars

Thomson Medical continues to support and educate parents-to-be through regular Pregnancy and Parenting seminars, offering crucial insights into maternity and parenting. These seminars empower soon-to-be parents with knowledge while showcasing Thomson Medical's comprehensive maternity services. For instance, the recent "Pregnancy Made Easy" seminar featured experts like Prof Han How Chuan, addressing topics like birth choices. In-house specialists, including Ms Seah Ai Wei and Ms Chen Li Qin, discussed confinement and breastfeeding. With over 2,000 participants, these seminars highlight our commitment to providing resources and information for confident parenting. Thomson Medical not only offers excellent medical care but also builds a supportive community, assisting parents on their journey into parenthood.



Full house at our pregnancy and parenting seminars.

OPERATIONS REVIEW

MALAYSIA OPERATIONS

In FY2023, our operations in Malaysia continue to strengthen its service offerings and infrastructure to better meet the rising demand for integrated healthcare services while contributing to the broader healthcare ecosystem.

Thomson Hospital Kota Damansara

Thomson Hospital Kota Damansara ("THKD") made significant progress across various fronts, elevating healthcare standards and the overall ecosystem. Notably, the establishment of the Thomson Hospital Alliance Group ("T.A.G.") and partnerships with Monash University exemplified efforts to bridge academia and healthcare. T.A.G., recognised as the "First Hospital Alliance with Tertiary Educational Institutions," is dedicated to enhancing healthcare education and research. THKD also obtained Australian Council on Healthcare Standards ("ACHS") EQulP7 Accreditation for Cancer Services, inaugurated a cutting-edge Oncology & Nuclear Medicine facility, and implemented the Abbott GLP Total Lab Automation for improved efficiency.

Additionally, the hospital also expanded its bed capacity and diversified its medical services, resulting in notable medical achievements. Skill augmentation was championed via the Thomson GP+ Symposium.

THKD's accomplishments were recognised through six awards, notably earning distinctions such as Advanced Paediatrics Service Provider of the Year and Specialist Hospital of the Year in the Asia-Pacific region. These accolades underscore the hospital's comprehensive excellence, encompassing achievements in gastroenterology services, operational enhancements, and talent development.

TMC Fertility

TMC Fertility ("TMCF") continues its commitment to advancing reproductive healthcare standards and effectiveness through the integration of technological advancements, elevated patient services, and an expanded array of specialised offerings. This commitment aligns with Malaysia's vision to position itself as a global healthcare hub. TMCF's dedication to enhancing reproductive healthcare is exemplified by its implementation of tailored training initiatives and responsive workshops aimed at addressing challenges. Collaborations with fertility experts and joint workshops reinforce TMCF's prominent position within the industry, facilitating a continuous journey of progress and innovation.

In the year, TMCF has placed a strong focus on international marketing. Collaborations with the Malaysia Healthcare Travel Council and participation in expos in Indonesia and China were key strategies to attract patients and solidify its position in Southeast Asia. The addition of consultants has elevated women's healthcare quality, while partnerships with Malaysian travel agencies have enhanced medical tourism experiences. TMCF's network of Medical Referral Agents has also been expanded to draw medical tourists from diverse markets.



Thomson TCM

Thomson TCM has solidified its role as a leading integrative healthcare provider through active participation in notable health events such as APHM 2023 and the 5th National Pain Free Conference. These engagements have played a pivotal role in nurturing valuable relationships within the healthcare community. As a result, Thomson TCM has emerged as a trusted advocate for the integration of TCM. Furthermore, the engagement of Thomson TCM with corporate entities through informative health talks has not only reaffirmed its dedication to holistic well-being but has also positioned it as the preferred comprehensive healthcare provider.

In the year, Thomson TCM also broadened its service offerings by introducing "unlimited packages," aimed at increasing accessibility to acupuncture treatments. This move not only demonstrates its commitment to enhancing services but also underscores its dedication to promoting wellness.

In recognition of its exceptional TCM services and contributions to the advancement of integrative healthcare, Thomson TCM was honoured with the TCM Centre of the Year award in the Asia Pacific region by Global Health Asia Pacific Magazine.

TMC Care Pharmacy

TMC Care Pharmacy successfully launched its e-commerce platform alongside its physical store in the year, ensuring customers convenient access to healthcare products amidst the ongoing evolution of the platform. TMC Care's strategic approach involves complementing pharmaceutical purchases from THKD and TCMF, effectively establishing a reputable brand for pharmacy items both online and in-store. The pharmacy's initiatives encompass an array of offerings, from specialty medications to a diverse range of healthcare products, coupled with meticulous inventory management. Furthermore, TMC Care Pharmacy has extended its product lines to encompass hospital-related, niche, and high-demand healthcare supplies.

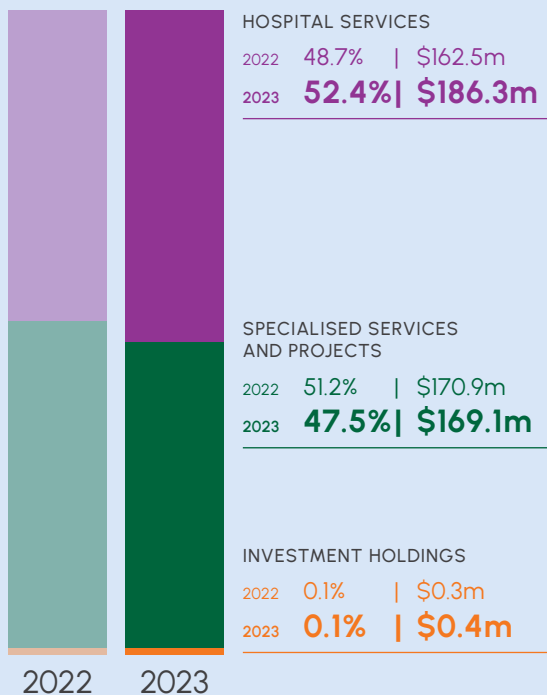
In the same vein, TMC Care Pharmacy has bolstered its marketing efforts over the year, aiming to elevate brand visibility and expand the customer base. Through this comprehensive strategy, TMC Care Pharmacy positions itself as a versatile and customer-centric healthcare provider, readily adaptable to evolving consumer preferences.



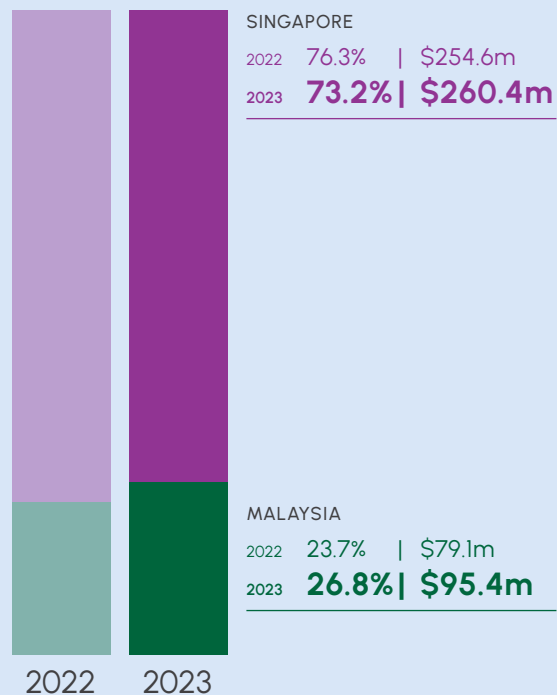
FINANCIAL HIGHLIGHTS

REVENUE CONTRIBUTED BY SEGMENTS

Business Segments



Geographical Segment



TOTAL ASSETS

\$1,447.8m
+6.1%

FY2022 \$1,364.9m
FY2023 \$1,447.8m

NET ASSETS VALUE PER SHARE (CENT)

2.18¢
-5.2%

FY2022 2.30¢
FY2023 2.18¢

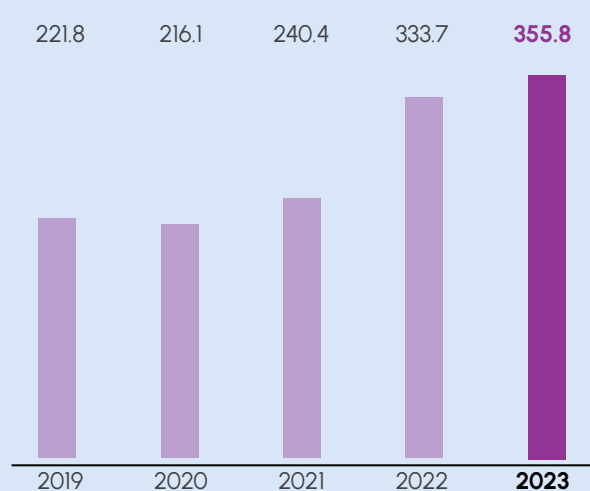
EQUITY ATTRIBUTABLE TO OWNERS

\$499.4m
-6.1%

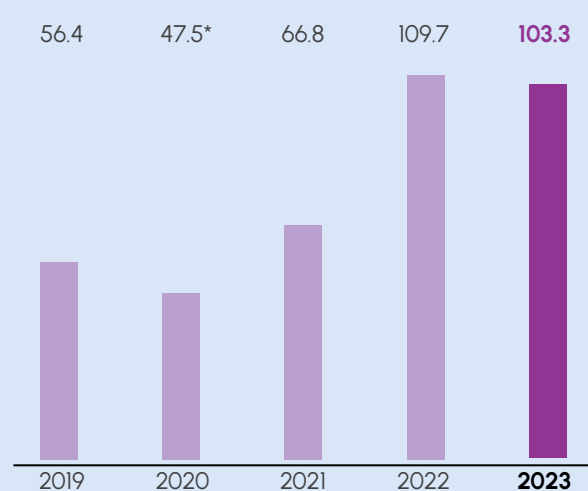
FY2022 \$531.7m
FY2023 \$499.4m

FINANCIAL SUMMARY

Revenue (\$million)



EBITDA (\$million)



\$million	2019 (Unaudited)	2020 (Unaudited)	2021 (Audited)	2022 (Audited)	2023 (Audited)
FINANCIAL PERFORMANCE					
Revenue	221.8	216.1	240.4	333.7	355.8
EBITDA	56.4	47.5*	66.8	109.7	103.3
Operating profit	42.0	29.3*	48.8	91.8	85.5
Profit/(Loss) before tax	19.0	(87.5)	26.2	69.3	55.2
Profit/(Loss) after tax	11.9	(98.0)	16.9	58.6	41.1
PATMI	8.0	(99.4)	14.2	53.8	36.6
FINANCIAL POSITION					
Cash and bank balances	121.3	160.0	122.7	161.6	286.6
Debt and borrowings	571.6	649.3	619.4	629.1	747.8
Total assets	1,312.6	1,294.3	1,285.8	1,364.9	1,447.8
Net assets	653.4	552.9	566.0	608.3	575.4
Shareholders' equity	578.3	477.9	489.8	531.7	499.4

*Adjusted for non-cash impairment and one-off transactions and non-recurring costs.



DELIVERING
SUSTAINABLE
GROWTH

CONTRIBUTING TO UNITED NATIONS
SUSTAINABLE DEVELOPMENT GOALS



AWARDED GLOBAL HEALTH
ASIA-PACIFIC AWARD
for Women & Children Service
Provider of the Year

ZERO cases

of high-consequence work-related
injuries and fatalities

Our push to expand is centred on achieving sustainable growth based on strong fundamentals and a strategic roadmap. With our patients, employees and shareholders in mind, we seek to shape better experiences and realise a healthier future for all.

SUSTAINABILITY REPORT



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ABOUT THE REPORT

Thomson Medical Group Limited ("**TMG**") continues to uphold its dedication to sustainability and is pleased to present our fifth annual Sustainability Report. Our healthcare portfolio encompasses Thomson Medical Pte Ltd ("**TMPL**") and TMC Life Sciences Berhad ("**TMCLS**"). The Vantage Bay Healthcare City ("**VBHC**"), envisaged to be an integrated hub of medical, education, and wellness, is currently in the planning phase.

For our stakeholders interested in our Malaysia-based operations, we have published a separate sustainability report, which is accessible on TMCLS's corporate website at <https://www.tmclife.com/annual-report/>. This report primarily highlights our environmental, social, and governance ("**ESG**") performance pertaining to our Singapore-based operations, specifically TMPL, for the financial year ended 30 June 2023 ("**FY2023**").

In our commitment to transparency and international best practices, we have prepared this report with reference to the Global Reporting Initiative ("**GRI**") Universal Standards 2021. This framework, which is recognised globally and is relevant to our business ethos and operations, ensures that our stakeholders receive a comprehensive view of our sustainability efforts. In adherence to the evolving standards, this report has been prepared in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B. We have also taken guidance from SGX-ST's Practice Note 7.6 Sustainability Reporting Guide. Furthermore, we continue to integrate the United Nations Sustainable Development Goals ("**UNSDGs**") into our sustainability strategy. This not only underscores our dedication to these global goals but also showcases our pledge to foster a sustainable future for the global community.

In relation to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), we recognise the importance and have taken initial steps to identify relevant climate risks and measure our greenhouse gas ("**GHG**") emissions as part of our commitment to environmental responsibility. Currently, we are in the process of formalising procedures for identifying, assessing, and managing climate-related risks. In alignment with our strategic approach, we will commence TCFD reporting in FY2024 and develop a roadmap with phased plans to guide our transition to climate reporting.

While we have not sought for external assurance for this Report, we have relied on internal data monitoring and verification to ensure accuracy of performance data disclosed herein. An internal review has been conducted by our internal auditor Deloitte & Touche Enterprise Risk Services Pte Ltd on the sustainability reporting processes involved in preparing this Report. As we advance in our sustainability journey, we will consider seeking external assurance in the following years.

Your feedback is invaluable to us. We encourage our stakeholders to share their perspectives, suggestions, and insights regarding this report and our sustainability initiatives at ir@thomsonmedical.com.

SUSTAINABILITY REPORT

BOARD STATEMENT

DEAR STAKEHOLDERS,

The Board of Directors (the "**Board**") is pleased to present our fifth annual Sustainability Report, chronicling our strides in sustainability throughout FY2023.

As our sustainability efforts take flight and grow with our organisation, we consistently aim to provide first-rate healthcare, develop the potential of our workforce, and enhance our positive contributions to both the environment and the communities in which we operate. In FY2023, despite the volatile and challenging operating environment, the Board constantly looks to ensure our strategy and growth plans are designed with our sustainability initiatives and programme in mind. We are deeply committed to diversifying our healthcare services and serving local communities and have continued to strengthen our local network as part of our dedication to delivering holistic, comprehensive, and personalised patient care. Concurrently, quality and safety remain at the forefront of our service offerings to ensure that our medical professionals are able to carry out their work to the highest standards.

Throughout our growth, we remain immensely proud of the awards and distinctions our teams have achieved over the past fiscal year, both in Singapore and Malaysia. Their unparalleled dedication has ensured not only outstanding patient care but has also garnered acclaim on respected platforms, such as the Singapore Health Quality Service Awards. Our vision of crafting a healthier, sustainable future for all resonates in our ongoing efforts to embrace digital enhancements. Moreover, our accomplishments in quality, environmental, health, and safety standards, several of which we have obtained ISO certifications for, distinguish us in our sector.

In closing, we wish to extend our deepest gratitude to all our stakeholders for their unwavering trust and support. As we forge ahead, we remain resolutely focused on our vision, filled with confidence in our collective capabilities and determination.

Sincerely,
The Board of Directors



YEAR IN REVIEW

PATIENT SATISFACTION



92%

Customer satisfaction rate



94%

Choice hospital again



93%

Will recommend TMPL to friends

ENVIRONMENTAL MANAGEMENT



84.7 kWh/PATIENT-DAY

Energy Consumption Index



0.77 M³/PATIENT-DAY

Water Consumption Index

COMPLIANCE TO LAWS AND REGULATIONS



ZERO

Incidents of corruption or other unethical behaviour

Complaints concerning breach of customer privacy and data loss

WORKPLACE HEALTH AND SAFETY



ZERO

High-consequence work-related injuries



57 AVERAGE TRAINING HOURS for nursing employees



5 AVERAGE TRAINING HOURS for non-nursing employees

ISO CERTIFICATIONS



ISO 9001 - Quality Management



ISO 14001 - Environmental Management



ISO 45001 - Occupational Health and Safety Management

ECONOMIC PERFORMANCE

Revenue increase by

6.6%

Net profit after tax of

\$41.1 MILLION

SUSTAINABILITY REPORT

OUR SUSTAINABILITY APPROACH

At TMG, our commitment to sustainability is deeply rooted in our mission to deliver exceptional healthcare services while fostering a positive impact on society and the environment. Our approach to sustainability is guided by internationally recognised standards, ensuring that our efforts are both comprehensive and aligned with global best practices.

SUSTAINABILITY GOVERNANCE

Building a sustainable business requires a collective, coordinated effort across all levels of the organisation, from business leaders to individual employees.

In consultation with the Board, the Group's Sustainability Steering Committee ("**SSC**"), comprising senior management and representatives from various departments, continuously look for ways to sustainably enhance our operational competitiveness. The Sustainability Task Force ("**STF**"), formed by representatives across functions, proceeds to execute organisation-wide sustainability programmes, and monitor our ESG performance.

This year, we have also engaged a third-party service provider, CLA Global TS Pte Ltd, to conduct sustainability training for key management personnel to update them on upcoming regulatory changes in sustainability reporting and to familiarise them with the TCFD framework in preparation for climate impact reporting in the coming years.



THE BOARD

- Oversees the Group's overall sustainability direction, validates identified material ESG factors and approves this report.
- Manages and monitors TMPL's sustainability performance.



SUSTAINABILITY STEERING COMMITTEE ("**SSC**")

- Assesses the relevance of each material ESG factor, determines the topic Boundary and the scope of this report.
- Oversees the development and execution of TMPL's sustainability strategy.



SUSTAINABILITY TASK FORCE ("**STF**")

- Implements organisation-wide sustainability policies and practices.
- Measures progress on performance targets.

Our approach to sustainability is guided by internationally recognised standards, ensuring that our efforts are both comprehensive and aligned with global best practices.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is at the core of our sustainability approach. We greatly value the input we receive from our stakeholders, as it shapes our sustainability strategy and drives its implementation. To ensure our ongoing success, we prioritise the cultivation of positive relationships with stakeholders. Regular engagement allows us to understand their needs, concerns, and expectations effectively.

We have employed a systematic process to identify and prioritise stakeholders based on their influence and interest in our activities. This enables us to allocate our resources efficiently and engage with the most relevant stakeholders. Throughout the reporting period, we conducted a variety of engagements, both formal and informal, with our identified stakeholder groups. These engagements are an integral part of our daily operations, providing valuable opportunities for interaction and collaboration.

The table below provides a summary of the key engagements that occurred during the reporting period, offering a glimpse into the breadth and depth of our stakeholder interactions:

Stakeholder Groups	Engagement Platforms	Frequency	Key Expectations
Customers <i>(including patients and their family members)</i>	<ul style="list-style-type: none"> Customer satisfaction survey Customer hotline, ward rounds and hospital tours Corporate website, social media, and digital platforms 	Daily	<ul style="list-style-type: none"> Quality patient care and good customer service Customer privacy Prompt response for enquiries and feedback Clean and safe environment Transparency of pricing of services
Employees	<ul style="list-style-type: none"> Employee meetings Town hall engagement Senior Leaders' walk rounds Performance appraisals Intranet and newsletters 	Throughout the year	<ul style="list-style-type: none"> Learning and career development opportunities Equal opportunities, fair compensation, and benefits Employee well-being, occupational health, and safety
Doctors	<ul style="list-style-type: none"> Phone calls, e-mails, and meetings Seminars and webinars Clinic visits Doctors' newsletters 	Throughout the year	<ul style="list-style-type: none"> Clinical and service quality Continuing medical education Seamless support and prompt service recovery Promotion and awareness of services
Shareholders	<ul style="list-style-type: none"> Release of financial results, press releases and other required disclosures on SGXNet and TMGL's corporate website Annual Report Annual General Meeting Extraordinary General Meeting 	Throughout the year	<ul style="list-style-type: none"> Business strategy, performance, and outlook Good corporate governance, transparency, and ethical conduct Compliance with relevant laws and regulations
Government & Regulators	<ul style="list-style-type: none"> Reports on various performance indicators Ongoing consultations with the relevant authorities 	Throughout the year	<ul style="list-style-type: none"> Timely and accurate regulatory disclosures Compliance with relevant laws and regulations
Suppliers & Contractors	<ul style="list-style-type: none"> Tenders, request for quotations and proposals Site visits and meetings E-mails 	Throughout the year	<ul style="list-style-type: none"> Fair tender process Competitive pricing Good quality goods and services Occupational health and safety Compliance with laws and regulations
Local Communities	<ul style="list-style-type: none"> Public education programmes and support for local non-profit organisations 	Throughout the year	<ul style="list-style-type: none"> Contribution to and engagement with the local community

SUSTAINABILITY REPORT

OUR SUSTAINABILITY APPROACH



SUSTAINABILITY CONTEXT

We acknowledge the significance of the 2030 Agenda for Sustainable Development and its 17 UNSDGs. In line with our commitment to sustainability, we have identified specific commitments and targets that align with SDGs 3 (Good Health and Well-being), 8 (Decent Work and Economic Growth), 13 (Climate Action) and 16 (Peace, Justice, and Strong Institutions). These SDGs are particularly relevant to our organisation and guide our ESG efforts.

As a healthcare-focused entity, our foremost priority is promoting and supporting the well-being of the community. To achieve this, we strive to facilitate widespread access to comprehensive healthcare services and products. Our approach entails delivering innovative and high-quality care that enhances patient outcomes. Additionally, we actively engage with and support local communities, fostering their health and well-being.

By embracing the principles of the UNSDGs and aligning our actions with their targets, we aim to contribute meaningfully to the sustainable development agenda while addressing the unique needs of our healthcare industry and the communities we serve.

SUSTAINABLE DEVELOPMENT GOALS

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
<p>13 CLIMATE ACTION</p> 	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 

The tables below outline the alignment of the Group's policies and initiatives with our prioritised SDGs: Goal 3 (Good Health and Well-being), Goal 8 (Decent Work and Economic Growth), Goal 13 (Climate Action) and Goal 16 (Peace, Justice and Strong Institutions).

UNSDGs	UNSDG Targets	Our Contributions
 <p>GOAL 3 Ensure healthy lifestyle and promote well-being for all at all ages</p>	<p>3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines and vaccines for all</p>	<p>At TMG, we are involved in the business of providing specialised care to women and children in Singapore.</p> <p>We are guided by our in-house Service Excellence Framework and Quality and Patient Safety Program in the work that we do, and we strive to deliver the best clinical and service outcomes to enhance the well-being of our patients and their families.</p>
 <p>GOAL 8 Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>	<p>8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors</p> <p>8.8: Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment</p>	<p>We are committed to retaining our employees and creating a healthy, safe, and resilient workplace. We believe in continuous learning and improvement, and employees are provided with various training and development programmes depending on their roles.</p> <p>On top of complying with the Workplace Safety Act, we have adopted standards such as the ISO 45001 Occupational Health and Safety System, ISO 9001 Quality Management, and ISO 14001 Environmental Management within the organisation.</p>
 <p>GOAL 13 Take urgent action to combat climate change and its impact</p>	<p>13.2: Integrate climate change measures into national policies, strategies and planning</p>	<p>At the organisational level, we are mindful for the need to reduce our reliance on fossil fuels.</p> <p>Across the Group, we have attained the ISO 14001 Environmental Management System certification. Our main hospital building at TMC has also been certified as a Green Mark building.</p> <p>We constantly strive to achieve improved levels of resource efficiency every year, thus reducing our carbon footprint. The Group is also committed to the responsible management of waste generated from our operations.</p>
 <p>GOAL 16 Promote peace and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>16.6: Develop effective, accountable and transparent institutions at all levels</p>	<p>We have established robust internal corporate governance policies and processes to ensure compliance to the rule of law.</p> <p>In 2022, we have strengthened the data integrity of our systems by partnering with NetSfere to implement a secure messaging platform for internal communication and collaboration.</p>

SUSTAINABILITY REPORT

OUR SUSTAINABILITY APPROACH




MATERIALITY ASSESSMENT

Guided by the GRI Materiality Principles, the Group employs a comprehensive three-step materiality assessment process to identify, rank and prioritise, and validate the ESG factors that hold significance for both our business and stakeholders.

As we place the Group's core activities in the context of the broader sustainability landscape, we take into account the global challenges highlighted by the UN SDGs and those unique to the private healthcare industry. Drawing insights from a diverse range of internal and external stakeholder groups, we then evaluate and prioritise the ESG factors most pertinent to be disclosed in this report, a list that has received formal approval from our Board.

Moreover, the Group annually conducts an internal review to ensure the continued relevance of our material ESG factors. In FY2023, we have refined our approach to enhance the clarity of our priorities, and work on the scope of the material factors identified in the previous year.

Material ESG Factors

 <p>Patient Satisfaction GRI 103</p>	 <p>Customer Health and Safety GRI 416</p>	 <p>Workplace Health and Safety GRI 403</p>
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OUR EMPLOYEES

 <p>Employment GRI 401</p>	 <p>Training and Education GRI 404</p>	 <p>Diversity and Inclusion GRI 405</p>
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ENVIRONMENTAL MANAGEMENT

 <p>Energy Conservation GRI 302</p>	 <p>Water Consumption GRI 303</p>	 <p>Waste Management and Compliance GRI 306</p>
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COMPLIANCE WITH LAWS AND REGULATION

 <p>Anti-Corruption GRI 205</p>	 <p>Data Privacy GRI 418</p>	 <p>Economic Performance* GRI 201</p> <p>* Please refer to the financial contents section of the annual report for more information</p>
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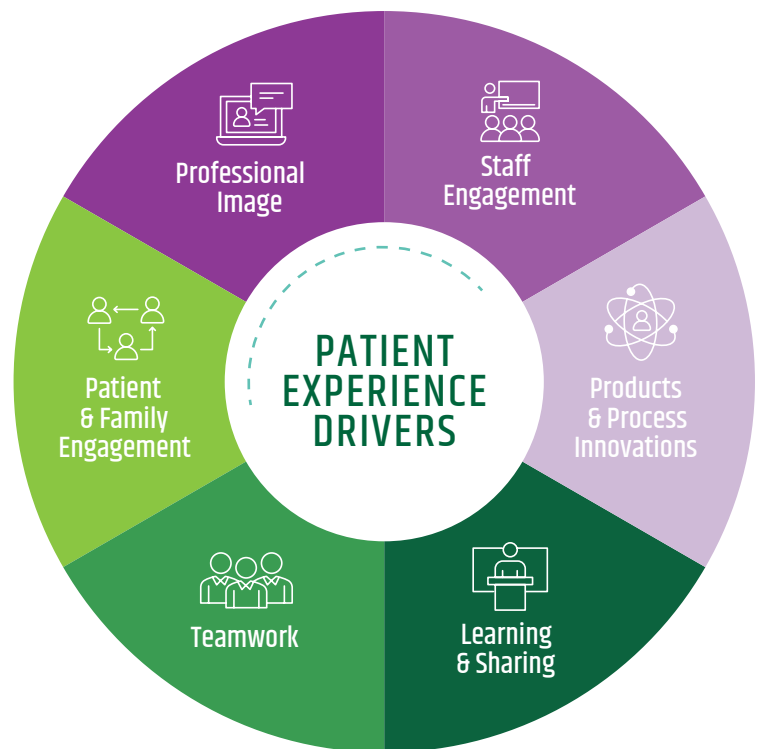
PATIENT SATISFACTION

MANAGEMENT APPROACH

Throughout our journey, TMPL has remained unwavering in our commitment to delivering exceptional care to our patients, a commitment that embodies what we fondly refer to as the 'Thomson Touch'. As we continue to evolve and expand our horizons, our dedication to providing a unique and memorable experience for our patients and their families remains at the forefront of our mission. We proudly position ourselves as lifelong and trusted healthcare partners, consistently embracing cutting-edge advancements in patient care to enhance every step of our patients' journeys. Beyond our comprehensive range of healthcare services, our hallmark is our ability to tailor treatments to meet the specific needs of the individual, and consistently exceeding expectation.

Our strategic approach to ensuring patient satisfaction is encapsulated in the Service Excellence Framework ("SEF"), meticulously crafted by our Service Quality Committee ("SQC"). This framework provides a blueprint for our commitment to patient satisfaction. We use the patient experience driver model to delve deeper into the processes, products, and personnel that influence the patient journey. In essence, the patient experience aligns seamlessly with the six domains of healthcare quality defined by the Institute of Medicine: patient safety, patient-centeredness, effectiveness, timeliness, efficiency, and equity. This holistic approach underscores our unwavering dedication to providing the highest level of care and service to our valued patients.

The SQC spearheads our customer service strategy, ensuring the consistency of service standards delivered on-site or remotely, and developing service improvement initiatives. The SQC continually rolls out new projects throughout the year to deliver outcomes that matter most to the patients, such as enhancing their overall patient experience and nurturing long-term loyalty.



At TMPL, we are deeply committed to instilling joy and fulfilment in the workplace. We believe this can be achieved by building a nurturing culture of praise and appreciation amongst our service staff and bringing out the best in every employee. Hence, the Employees and Partners' Reward and Recognition Programme ("R&R") was developed to recognise and reward exemplary staff and teams who have embodied our Brand Promise and Core Values in their daily work. The R&R programme including but not limited to Quarterly Individual and Team Angel Awards, monthly SPOT Award, Annual Excellence in Action Team Award and Service with A Heart Award on an ad hoc basis. By publicly appreciating the efforts of these individuals, we seek to continuously encourage teamwork and camaraderie in the workplace and thus, fortifying TMPL's commitment and culture of positive service.

SUSTAINABILITY REPORT

PATIENT SATISFACTION

POLICIES AND INITIATIVES

Service Delivery Training

Every two months, our employees undergo the Thomson Touch Service Training program, reinforcing our commitment to uphold exceptional service standards. Stemming from TMPL's dedication to quality excellence and innovative service, the program aims to instill a service-driven approach with regular training sessions, daily service huddles, and roll calls.

Expanded Service Offerings

Through Diabetic Nurse Counselling services, Thomson Medical Centre ("TMC") provides essential assistance to expectant mothers dealing with gestational diabetes. Our Holistic Personalised Program for Gestational Diabetes equips participants with hands-on knowledge about diabetic nutrition during pregnancy, glucose tracking, and managing their lifestyle. This all-encompassing method greatly diminishes potential obstetric issues linked to diabetes.

To date, TMPL continues to grow our value offerings to our patients, by introducing products and services which improve our quality of care and enhance patient experience, as follows:

- **Diabetic Nurse Counselling:** Adapting to the rising demand for beds, we transitioned our Obstetrics Assessment Unit to accommodate 5 new day surgery beds. For expectant mothers with gestational diabetes, we now offer outpatient Diabetic Nurse Counselling services at the Thomson Specialist Outpatient Clinic.
- **Elective Egg Freezing Campaign:** In alignment with the new regulations from July 2023, Thomson Fertility Centre introduced Elective Egg Freezing. A comprehensive marketing campaign was launched to raise awareness and promote these services.



Continuing to maintain high quality of healthcare for our patients.

- **Service Ambassadors in Wards:** Enhancing the Thomson Patient Journey Experience, our service ambassadors cater to non-medical patient needs, ensuring a seamless and comfortable stay.
- **Thomson Specialists Expansion:** Building on our legacy of over 40 years, we introduced Thomson Specialists at The Woodleigh Mall and Paragon Medical Centre. These integrated centres offer a myriad of specialist services, from O&G to Paediatrics and TCM.
- **2023 Mommy's Bag - A New Beginning:** Celebrating the resilience of mothers, our 2023 edition of the Mommy's Bag, titled 'A New Beginning', is filled with thoughtful gifts to support both mother and child.

Engagement with Patients

At Thomson Medical, we prioritise genuine connections with our patients. Through various initiatives introduced in FY2023, we ensure every individual feels valued and understood, extending care beyond medical excellence.

- **Mother's Day 2023 Campaign #LetterstoMyself – Letters to Myself:** This heart-warming campaign saw mothers penning letters to their past selves, reflecting on their journey. For each letter, a donation was made to HCSA, supporting single parents in Singapore.
- **Breast Cancer Awareness Month:** Marking a decade of collaboration with Singapore Cancer Society, we continued our commitment to early detection and treatment of breast cancer. Awareness campaigns, including a Pink Dance Video, were launched to emphasise regular screenings.
- **Father's Day 2023 Celebration:** Honouring the unsung heroes, our Thomson daddies were presented with tokens of appreciation.
- **Easter 2023:** Spreading joy, our young patients were treated to Easter eggs and colourful balloons, brightening their day.



'A New Beginning' bag is specially curated with practical gifts for both mummies and babies born at Thomson Medical in 2023.



Sharing the joy with our young patients during Easter.

SUSTAINABILITY REPORT

PATIENT SATISFACTION

POLICIES AND INITIATIVES (CONT.)

Innovation and Technology

At Thomson Medical, embracing cutting-edge technology to enhance patient experience is a priority. We aim for efficient, secure, and personalised healthcare in today's digital era, by introducing innovative platforms, such as:


- **femmyly App Integration:** Our collaboration with Femmyly allows patients to book appointments with our specialists through their super app, streamlining the process. Femmyly is a women's health management platform focusing on fertility, pre- and post-natal care, offering access to medical specialists, mental well-being support, physiotherapists, and tailored nutrition, with the mission to empower women through personalised, year-round healthcare.
- **Joy Robot:** Greeting visitors at the hospital lobby, Joy, our autonomous robot, not only distributes treats but also assists visitors with directions.
- **EMR Launch:** As part of our Digital Transformation, we have implemented the Electronic Medical Record ("EMR") system across various departments, with the Operating Theatre set to adopt it from July 2023.
- **Appointment/Queue Management App:** A pilot project using WaitWhile was introduced in selected Thomson Paediatric Centres, enhancing patient experience with virtual waiting lists.
- **Thomson Nutri Web App:** A revamped digital platform for confinement food ordering, offering a seamless experience for customers.

PERFORMANCE RESULTS AND TARGETS

Ensuring our customers have avenues to provide their feedback is crucial for cultivating brand loyalty, facilitating prompt service improvements, and gauging patient contentment. Following every visit, we seek our customers to share their immediate thoughts through our electronic Patient Experience Questionnaire ("ePEQ"), where they can provide ratings using a Likert scale.

- How satisfied are you with the services we have provided?
- How likely are you to return to TMC on your next hospital visit?
- How likely are you to recommend TMC to your friends and relatives?

These KPIs serve as tools for assessing how well we handle patient experience and enhance patient satisfaction levels over the years. The table below illustrates that we met our objectives for every KPI during the reporting period.

ESG Factor	Metrics	FY2022	FY2023	Target
Patient Satisfaction	 Customer satisfaction rate	88%	92%	> 85%
	Choice hospital again	91%	94%	> 85%
	Recommend TMPL to friends & relatives	90%	93%	> 85%



Joy, our autonomous robot, greeting patients with a smile.

Regarding our patient satisfaction metrics, we have decided to remove the complaint-to-compliment ratio as a KPI. This decision stems from an internal benchmarking exercise.

In FY2023, we observed a commendable improvement in our patient satisfaction metrics, reflecting our continuous efforts to enhance the patient experience. The transition to a four-point Likert scale, shifting from descriptors like "Much better than expected" to more direct terms such as "Excellent" and "Good," provided clearer feedback. Our overall Customer Satisfaction rate surpasses the target of 85%, with a notable rise to 92% in FY2023.

This uptick was attributed to the relaxation of COVID-19 measures and the successful implementation of ePEQ. ePEQ is a digital survey employed in the hospital to collect patient feedbacks and opinions regarding their general satisfaction on our services. Patient may conveniently complete the survey digitally using their smartphones, which streamlining the feedback process and enhancing engagement. Outpatient services saw a surge in satisfaction, moving from 84% in FY2022 to 88% in FY2023, thanks to streamlined patient flows and eased COVID-19 restrictions. Consistently, our inpatient satisfaction remained robust at 91% in FY2023. Furthermore, 94% of our patients expressed a preference to choose TMC again for their healthcare needs. Similarly, our metric for recommendations to friends and family remained steady, underscoring the trust and confidence our patients place in us. This positive trajectory is also reflected in other feedback channels, including contact mails, Google reviews, and heartfelt gestures like food gifts accompanied by appreciative notes.

In FY2023, TMPL has a truly remarkable year, as we were deeply honoured to receive a significant number of awards in recognition of our steadfast commitment and efforts in maintaining the excellent standards of service quality. These awards include:

- **Healthcare Asia Award 2023 – Speciality Hospital for the year:** A recognition of our commitment and hard work in providing the highest quality of care to mothers and new-borns.



Thomson Team receiving the Speciality Hospital for the Year award at Healthcare Asia Awards 2023.

- **Singapore Health Quality Service Awards 2023 ("SHQSA"):** A proud moment for TMPL to receive 76 awards at the SHQSA this year in honour of the dedication and excellence of our Thomson Angels.
- **Global Health Awards 2023 – Women & Children Service Provider of the year in Asia-Pacific:** This award recognises healthcare providers that have pushed boundaries of delighting the patients at every stage and in every interaction.
- **President's Certificate of Commendation:** A recognition of our contributed efforts which made a significant impact in our nation's fight against COVID-19 pandemic.
- **Best of Singapore 2023 by Tatler Asia:** Thomson Chinese Medicine was recognised as one of the best TCM centres, based on a reader poll conducted by Tatler Asia to identify the preferred TCM brands.

SUSTAINABILITY REPORT

CUSTOMER HEALTH & SAFETY

MANAGEMENT APPROACH

Being the sole private hospital in Singapore offering comprehensive and specialised care for women and children, TMPL strives for excellence across all aspects of our business, from operations to service delivery. As we aim for the best clinical outcomes for our patients and mitigate health and safety risks, we are committed to the highest standards of quality in our products, services, and treatments.

Aligned with our Quality and Patient Safety Framework, we have set up a Quality Assurance Structure to streamline our approach to patient safety, quality assurance and continual improvements.

There are a total of 14 Clinical Sub-Committees in place to address different aspects of clinical quality, with supervision and oversight from TMPL's Medical Advisory Board.

Furthermore, 6 Hospital Quality Committees operate under the oversight of the Chief Executive Officer, with support from the management team.

In the development of our policies and procedures geared towards customer health and safety, we reference the ISO standards on Environmental, Occupational Health and Safety, and Quality Management Systems, alongside other pertinent regulatory benchmarks and suggested guidelines.

For the safety of our products and services, TMPL has set stringent guidelines and procedures for the procurement of medical equipment and pharmaceutical products. We emphasise ensuring medication is readily available and reduce wastage through an efficient inventory system, obtaining medicines at optimal quantity and at cost-effective prices, and sourcing from reliable suppliers that meet our vendor evaluation criteria.

CLINICAL SUB-COMMITTEES	
Accreditation and Credentialling	Clinical Ethics
Mortality and Morbidity	Infection Prevention and Control
Operating Theatre	Anaesthesia
Tissue	Intensive Care
Paediatric and Neonatology	Pharmaceutical and Therapeutic
Blood Transfusion	Peer-Review Learning
Serious Reportable Event / Quality Assurance Committee	Continuing Medical Education

HOSPITAL QUALITY COMMITTEES	
Performance Improvement	Clinical Quality and Patient Safety
System and Process Quality	Service Quality
Food	Workplace Safety and Health

All drugs purchased must be approved by the Health Sciences Authority, Singapore ("HSA"). At TMPL we maintain a list of approved drugs (the "**Drug Formulary**") to be used in the hospital. Every year, the Drug Formulary undergoes an assessment by the Pharmacy and Therapeutics Committee, ensuring that everything connected with hospital medication usage, from its development to upkeep, meets safety and efficacy standards. Suppliers of our pharmaceuticals must pass a rigorous assessment based on our Standard Operating Procedures ("**SOPs**"). These suppliers should be trustworthy, have a good reputation, and carry all necessary business and related licences. We store medications as per the manufacturer's guidelines, always considering the advised temperature conditions.

The procurement of all hospital medical equipment is managed by our Biomedical Engineering Department. Our rigorous SOPs guides the process to review the procurement of medical equipment which include selection, commissioning, inspection, testing and maintenance of equipment used. All medical equipment and systems utilised in patient care must be approved by the relevant authorities to ensure they are operational, safe, properly configured and maintained.

In line with our mission to provide exceptional healthcare services of the highest quality, TMPL continually embraced Joint Commission International Patient Safety Goals ("**IPSG**"), which include accurate baby identification, safe administration of high-alert medications, surgical safety, hand hygiene compliance to reduce healthcare-associated infections, and mitigate risks associated with potential falls.

POLICIES AND INITIATIVES

At Thomson Medical, our unwavering commitment to customer health and safety drives every decision we make. As we navigate the evolving landscape of healthcare, we recognise the importance of both introducing new initiatives and refining existing ones to ensure the well-being of our patients and staff. From nutritional excellence to infection control and surgical advancements, our policies and initiatives are designed to uphold the highest standards of care and safety. Here's a closer look at our recent endeavours:

- **Thomson Nutri – A Commitment to Nutritional Excellence:** Our award-winning Thomson Confinement Food has transitioned to Thomson Nutri, continuing its legacy of providing patients with top-tier ingredients like Japanese Kinmemai Better White™ Rice and Sakura Chicken, all under an approved SFA License.
- **Letters to Moms** – A Mother's Day campaign launched by Thomson Medical, which provides mothers with a platform writing letters to their past selves, reflecting on their pregnancy journeys and the challenges and joys of motherhood. This communal sharing contributes to bolstering mothers' mental well-being, fostering a sense of camaraderie and emotional support that can uplift and motivate fellow mothers.



Showcasing our nutritious and delicious menu from Thomson Nutri.

SUSTAINABILITY REPORT

CUSTOMER HEALTH & SAFETY

POLICIES AND INITIATIVES (CONT.)

Continued Dedication to Infection Prevention and Patient Safety

Our dedication to patient safety remains steadfast, especially in challenging times. We consistently align with National Infection Prevention and Control Standards, ensuring our staff are equipped with the latest knowledge. Our unwavering dedication to patient safety is ever-present, particularly in the face of challenges that arise in the healthcare landscape. As witnessed during the tumultuous times of emerging pandemics such as COVID-19, the intricacies of infection prevention and control can be particularly demanding. However, regardless of these circumstances, our institution remains resolute in our mission to prevent hospital-associated infections.

By consistently aligning with the National Infection Prevention and Control Standards, we not only maintain a high standard of care but also ensure our patients' utmost safety. This alignment is more than just adherence to guidelines; it's an embodiment of our commitment to the wellbeing of those we serve.

Central to our efforts is the continuous education of our staff. To guarantee that all our staff members are equipped with the latest and most relevant knowledge in infection control and epidemiology, we have steadfastly continued our annual training sessions on Infection Prevention and Control. These sessions not only enhance the expertise of our team but also serve as a refresher on the evolving nature of infections and their control measures.

Moreover, as a testament to our commitment and to ensure transparency and quality, hospital-wide audits are routinely conducted. These audits are comprehensive and are specifically tailored based on the National Infection Prevention Control Standards. This meticulous approach is instrumental in upholding our pledge to patient safety and ensuring the highest standards are consistently met.

Hand Hygiene and Food Safety


In our commitment to maintaining the highest standards of hygiene and food safety, we adhere to global best practices and have implemented the World Health Organization's ("WHO") guidelines on hand hygiene. These guidelines stress the importance of the "Five Moments of Hand Hygiene," which provide a comprehensive framework for when healthcare workers should clean their hands to prevent the spread of infections. To ensure compliance with these guidelines, we conduct monthly audits, which involve observing and evaluating hand hygiene practices. In FY2023 alone, we conducted over 11,500 hand hygiene observations, fostering a culture of strict conformity to hand hygiene procedures, thus minimising infection risks in our healthcare establishments.

Food safety is equally paramount in our operations. To guarantee the safety of the meals we serve, our kitchen operations are managed by an ISO-certified catering operator. This certification attests to our commitment to maintaining the highest standards in food preparation, storage, and delivery. To further ensure compliance with food safety regulations, our operations undergo weekly inspections to meet the strict standards set by the Singapore Food Agency's Food Hygiene Standards. These Food Hygiene Audits, spearheaded by our Dietician, encompassed various aspects, from the overall kitchen condition, food storage practices, and refrigerator functionality to food presentation, cleaning standards, and employee hygiene.

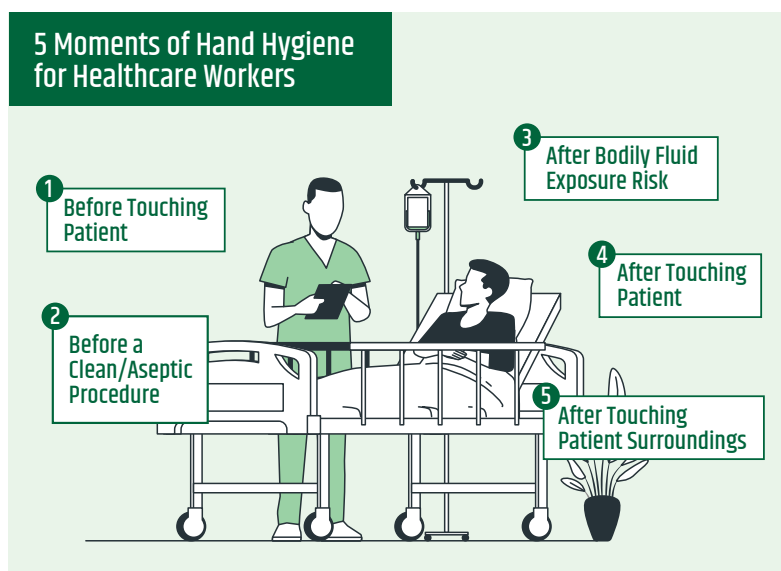
In addition to regular inspections, our dedicated dietitian conducted 48 food hygiene audits annually in FY2023. These audits are comprehensive evaluations that cover all aspects of food preparation, storage, and delivery. The goal is to ensure that our food services consistently meet and even exceed the stringent food safety standards. Our unwavering commitment to maintaining impeccable hand hygiene practices and food safety standards underscores our dedication to the health and well-being of our clients and patients. We remain dedicated to enhancing and expanding our policies and initiatives, always prioritising the health and safety of our customers.

PERFORMANCE RESULTS AND TARGETS

Our commitment to maintaining the highest standards in health and safety is evident in the improvements we have achieved over the past year. We are pleased to report that our compliance rates for both hand and food hygiene audits have consistently remained above targets. In FY2023, a clerical error was made in filing the medical record which was in non-compliance with the Private Hospitals and Medical Clinics Regulations. Corrective actions were taken promptly to prevent recurrence. We will strive to achieve zero non-compliance on the health and safety aspects of our products and services.

ESG Factor	Metrics	FY2022	FY2023	Target
 Customer Health and Safety (GRI 416)	Compliance rate of monthly hand hygiene audits	97%	96%	90%
	Compliance rate of monthly food hygiene audits	87%	86%	85%
	Incidents of non-compliance with regulations and voluntary codes related to the health and safety impacts of our products and services	0	1	0

5 Moments of Hand Hygiene for Healthcare Workers



WORKPLACE HEALTH & SAFETY

MANAGEMENT APPROACH

At our healthcare institution, prioritising the health and well-being of our staff is fundamental to our organisation. Our team, consisting of doctors, nurses, and various professionals, solidifies Thomson Medical's standing as a distinguished healthcare provider in Singapore. We are committed to fostering a workspace that prioritises their safety and well-being.

Acknowledging the potential health and safety risks faced by our employees, we have developed a comprehensive workplace health and safety framework. This framework comprises key aspects such as Policy, Planning, Implementation and Operation, Checking and Corrective Actions, Management Review, and Continual Improvement. It incorporates regulatory requirements from the Workplace Safety and Health Act and adheres to ISO 45001 standards on Occupational Health and Safety ("OH&S").

Our Workplace Safety and Health Committee ("WSHC") meets monthly to:

- Establish written safety protocols that apply to all employees and stakeholders, including contractors, vendors and partners that work on-site at the hospital.
- Ensure compliance with legal requirements through audits and inspections.
- Review environmental, health and safety incidents, identify opportunities for improvement, and conduct training to equip staff with Workplace Safety and Health related knowledge and skills.

The WSHC conducts regular reviews of procedures and processes to reduce potential hazards and risks. Additionally, they perform facility inspections and indoor air quality assessments as required by regulations.

The Infection Control Manager ("ICM") is responsible for overseeing matters related to "sharps," needle stick injuries, exposure to body fluids, and hospital-associated infections. The ICM conducts root cause analysis of these incidents and implements control measures to mitigate potential risks and future occurrences.

SUSTAINABILITY REPORT

WORKPLACE HEALTH AND SAFETY

MANAGEMENT APPROACH (CONT.)

Our key management approach for OH&S can be summarised as follows:

- To monitor, review and maintain safe systems of work, policies, and procedures by complying with all relevant health, safety, environmental legislations;
- To prevent work-related incidents by providing adequate resources, programmes, education and training to our staff and service partners;
- To mitigate foreseeable unsafe conditions and behaviours in the workplace;
- To continually engage all relevant stakeholders and staff; and
- To regularly measure, evaluate and review objectives, targets and performance of our policies and initiatives.

Our Senior Management Team recognises their responsibility and accountability towards Workplace Safety & Health ("WSH") and have added WSH as an agenda item in their meeting. To deepen their understanding and commitment to supporting the WSH initiatives, they attended the WSH Code of Practice Training.

POLICIES AND INITIATIVES

Incident Reporting

All work injuries are promptly reported through our Hospital Occurrence Reporting system. We conduct a thorough root cause analysis for each incident, recommending corrective actions to prevent recurrence. These injuries and the associated preventive measures are discussed in our monthly internal WSH meetings and updated to Senior Management on quarterly basis.

Clutter-Free Work Environment

At Thomson Medical, we recognise that a cluttered workplace can hinder employee performance and increase the risk of accidents. Driven by our commitment to safety and efficiency, we have adopted Lean concepts and applied 6S methodology to periodically declutter and organise our spaces. This ensures quick, safe access to equipment and supplies. Reflecting our growth and dedication to providing an optimal work environment, we have expanded by leasing three new offices, ensuring a spacious setting for our corporate support departments.

Fall Prevention – A Step Towards Enhanced Safety

To further ensure a safe environment, our Work Safety Committee has introduced a fall prevention poster, emphasising best practices and the importance of reporting potential hazards.



Employee Engagement and Recreation

Understanding the importance of mental wellness and work-life balance, we have resumed company-wide recreational activities. Organised monthly by the Thomson Recreation Committee, these activities range from overseas trips and movie nights to baking classes and bowling sessions. To further foster camaraderie, a departmental bonding fund was introduced to empower departments to curate their own team-building events.

Infection Control Week 2022

Aligned with the International Infection Prevention Week, we organised a series of events, including an interactive Infection Prevention Quiz and a Hand Hygiene Mass Dance. We were privileged to host Dr. Marimuthu Kalisvar from Tan Tock Seng Hospital, who shared insights on hospital control strategies.

Quality Week – Quality Day Seminar

In honour of our 9th Quality Day at Thomson, the Quality Management team orchestrated a day filled with Quality Improvement Project Presentations and staff performances. In recognition of our dedicated staff and doctors, they were presented with awards, such as the Service with A Heart Award, Excellence in Action Award, and the Quarterly Angel Award.



Strategic Collaborations for Service Excellence

Our Thomson Service Training Programme, Thomson Touch, was initially designed by SIA Service Quality Centre. Through our ongoing collaboration with the SIA Academy, we strive to elevate our service skills to meet the evolving patient expectations in the healthcare sector. Our recent Service Leadership programme for management staffs and trainers was a success, and we are looking forward to the development of tailor-made Thomson Service Standards as part of the Thomson-SQ programme. With these new standards and the rejuvenated Thomson Touch training programme, we are poised to ensure our Thomson Angels consistently uphold and D.E.L.I.V.E.R our brand promise.

PERFORMANCE RESULTS AND TARGETS

In FY2023, we have continued to record zero cases of high-consequence work-related injuries and fatalities resulting from work-related injuries. The number of recordable work-related injuries and needlestick injuries has reduced from 13 to 10 and from 1 to 0, respectively, compared to FY2022.

ESG Factor	Metrics	FY2022	FY2023
Occupational Health and Safety (GRI 403)	Number of recordable work-related injuries	13	10
	Number of high-consequence work-related injuries	0	0
	Number of needlestick injuries	1	0

To further mitigate risks, we have established clear demarcations along common staircases to prevent falls. Ergonomics workshops are conducted to educate staff on proper lifting postures, reducing the risk of back injuries. Educational posters are displayed in staff areas, emphasising the importance of workplace safety.

ISO 14001 and ISO 45001 Management Systems are pivotal in our approach to identifying and managing potential hazards and risks. BizSafe Level 2 certified department risk leads champion in identifying and reducing the risk at source by managing risk management process at their respective workplace. The Hospital Occurrence Reporting System remains instrumental in detecting potential health and safety concerns, as well as analysing and improving processes and practices to ensure a safe work environment.

We target to ensure that all safety protocols are emphasised to all employees through training and reminders to minimize the overall rate of work-related injuries and maintain our record of having zero high-consequence work-related injuries or fatalities in the workplace.

SUSTAINABILITY REPORT

OUR EMPLOYEES

MANAGEMENT APPROACH

At Thomson Medical, our commitment to fostering a nurturing, inclusive, and dynamic workplace has also deepened over the past year. We believe in the power of a contented and empowered workforce, understanding that our success is intrinsically linked to the well-being and growth of our employees.

We take pride in being an equal opportunity employer, where recruitment is solely based on merit and potential. Our dedication to cultivating diversity in our workforce remain steadfast, ensuring that we reflect the diverse backgrounds, cultures, and experiences of the communities we serve.

Recognising the value of continuous learning, we have intensified our efforts in employee development. This year, we have refined our approach to training, conducting a comprehensive annual analysis to gauge the competency levels of our staff and pinpoint specific areas for development. Through these initiatives, we aim to equip our team with the tools they need to excel and achieve their career aspirations.

POLICIES AND INITIATIVES

Training and Development Programs for Nursing Staff

Our commitment to continuous learning and professional growth is evident in the various programs we offer. The Preceptor Training Program stands out as a testament to our belief in mentorship. This program empowers seasoned nurses to guide and support newcomers, ensuring a smooth transition and integration into our healthcare environment. As these nurses advance in their careers, they are introduced to leadership roles, further enhancing the quality of patient care.

The use of our integrated e-learning platform has revolutionised the way our nurses access training materials. This platform offers resources on a plethora of topics, such as blood transfusion procedures, high alert medication pharmacology, drug allergy management, and medication calculations, allowing our nurses to learn at their own pace and convenience.

In line with our commitment to support the aspirations of our nurses, we have expanded our scholarship offerings for Advanced Diploma courses and other professional development programs. These include the Basic Cardiac Life Support instructor course, neonatal resuscitation, basic counselling, wound care, and specialised courses for ICU nurses. Furthermore, to ensure a holistic development, our nurses undergo rotations across various departments, enriching their expertise in diverse medical specialities.

Training & Development Programmes for Non-Nursing Staff

TMPL's dedication to professional growth is not limited to our nursing staff. We offer a wide range of training programs tailored to the unique needs of our non-nursing personnel. Our front office teams, for instance, benefit from specialised service training sessions. Simultaneously, our operational and financial support staff are provided with opportunities for technical skill enhancement and are encouraged to participate in relevant seminars and conferences. This holistic approach ensures that every member of the Thomson Medical family is equipped with the skills and knowledge they need to excel in their roles and contribute to our mission of delivering unparalleled healthcare services.

A few of the internal training and development programmes conducted over the reporting period are as follows:

Training Programmes	Participants
COMPANY-WIDE TRAINING PROGRAMS	
Corporate Orientation	All new employees
Security, Fire and Environmental Awareness Talk	All employees
CONTROL, RISK AND COMPLIANCE	
Enterprise Risk Management Training	Senior Management and HODs
Business Continuity Practices and Plans	Senior Management and HODs
Data Breach Briefing	Senior Management and HODs
Personal Data Protection Awareness Training ("PDPA")	All employees
Cybersecurity Awareness Training	All employees
Workplace Safety and Health Code of Practice	Senior Management and HODs
QUALITY TRAINING PROGRAM	
16th PHOM Conference - Preventing Health for All & Asia Pacific Mindfulness Conference Workshops	Senior Management and HODs
Biological Indicators for Sterilisation, CEP Meeting & Sharing, Diabetes Education, EMR Trainings, Security Awareness Training	Medical Records Staff
Thomson Touch	All new employees
Root Cause Analysis Training	HODs, Managers, Executives, Nurses and Allied Health Professionals
ISO Standards and Internal Auditor's Training	HODs, Managers, Executives, Nurses and Allied Health Professionals
Service Leadership Training	HODs and Managers
MANAGEMENT STRATEGY	
TMC Visioning Strategic Retreat	Senior Management and HODs
Sustainability Refresher and TCFD Introduction Workshop	SSC & STF representatives
SPECIALISED TRAINING	
Implement Progressive Wage Model, ACLS, Bladder Scanner Training, O&G Complications, CPR & AED Certifications, Ted Stocking / Leg Compressor	Various Nursing and Administrative roles
Singapore Neonatal Resuscitation Course, Gold Lactation Conference, Digital Storytelling, Certificate in Phlebotomy	Nursing

SUSTAINABILITY REPORT

OUR EMPLOYEES

POLICIES AND INITIATIVES (CONT.)

Employee Benefits and Support

At Thomson Medical, we are committed to the well-being and growth of our employees. We have enhanced our benefits package to include flexi medical benefits, providing a broader coverage that now encompasses optical, dental, TCM services and health screening, as well as an extension of coverage to dependents for specific medical benefits. Recognising the financial challenges faced by our overseas nurses due to rising rental costs, we have introduced a housing allowance to support their housing needs. Additionally, we have adjusted our retirement SOPs and employment policies to align with tripartite guidelines and PDPA, ensuring inclusivity and fairness in our hiring and re-employment processes.

Employee Engagement and Appreciation

In recognition of our employees' hard work and dedication in delivering exceptional care to patients and their families, we have organised a series of celebratory events throughout the year. Here are some of the highlights:

- **Nurses' Day Celebrations:** Our nurses enjoyed a carnival atmosphere with treats like popcorn and candy floss. The event was graced by Ms Paulin Koh, Chief Nursing Officer from MOH, and MediaCorp artistes from the series "You Can Be An Angel," making it a memorable day for our Thomson Angels.
- **World Radiography Day:** Celebrated on November 8, this day recognizes the significance of radiography in healthcare. Dr Daniel Lee, the CEO of Thomson Medical Singapore, expressed gratitude to our imaging professionals with tokens of appreciation.

- **Staff and Doctor's Lounge Openings:** We have inaugurated lounges for both our staff and doctors, providing them with spaces to relax, rejuvenate, and connect. These lounges are equipped with amenities like a snack pantry, Nespresso machine, and even a massage chair for the doctors.



Appreciating our nurses at Thomson Medical Centre on Nurses' Day.



Introducing the new Thomson Lounge, designed to provide comfort and a resting spot for all doctors at Thomson Medical Centre.

- **Dinner & Dance:** Our annual Dinner and Dance returned with the theme "We Are The World," offering a night of games, awards, and celebrations.
- **Festive Celebrations:** From Christmas celebration sessions to Lunar New Year festivities with mandarin orange gifting, we ensured that the festive spirit was alive and well at Thomson Medical Centre.
- **Doctor's Engagement:** This event allowed us to share our transformative plans for Thomson Medical with our doctors, reinforcing our collective commitment to patient care.
- **Staff Townhall:** The Staff Townhall unveiled the Transformation plans for Thomson Medical, recognising staff contributions and introducing new leadership figures.

Continuous Development

Our commitment to employee growth and development is unwavering. We have organised various training and improvement programs, such as the Infection Control Week and Quality Day Seminar, to ensure our staff remains at the forefront of healthcare excellence. With collaborations like the Thomson-SQ programme and the revamped Thomson Touch training, we aim to elevate our service standards and deliver unparalleled patient care.



Our Executive Vice-Chairman Kiat Lim addressing the audience during Dinner & Dance.



Lunar New Year celebration with Thomson Team.

SUSTAINABILITY REPORT

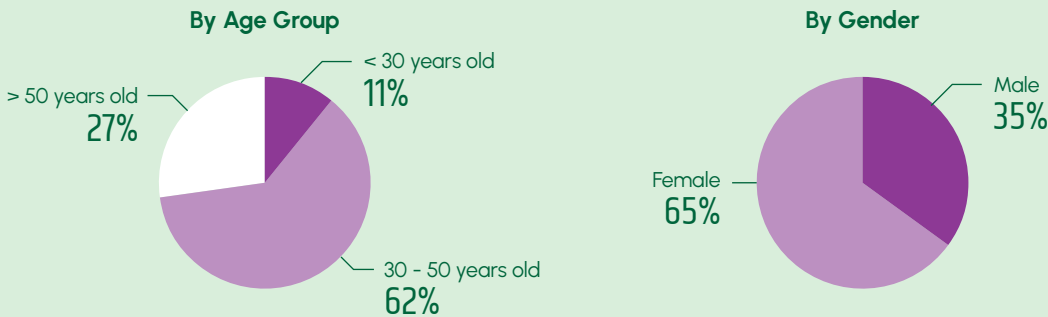
OUR EMPLOYEES

PERFORMANCE RESULTS AND TARGETS

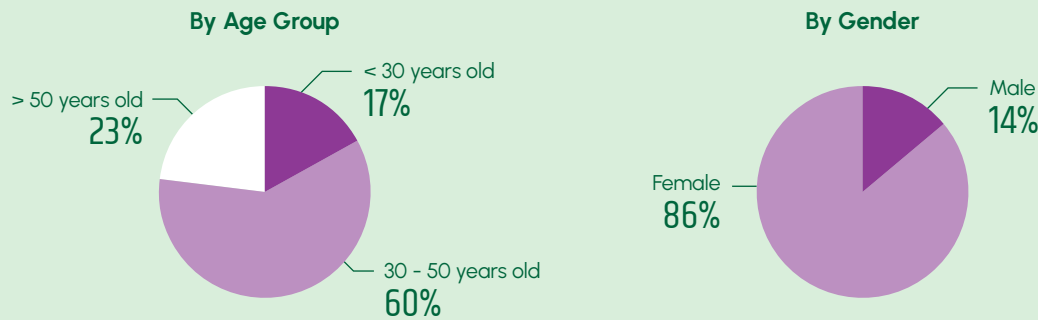
Employment

As of 30 June 2023, TMPL engaged a total of 695 employees, which is largely unchanged from the 699 employees as of the end of FY2022. The stabilising employment numbers indicate that the impact of the COVID-19 pandemic on the healthcare sector’s manpower crunch has eased off.


A breakdown of newly joined employees in FY2023, by age group and by gender, is as follows:



A breakdown of employees who left the organisation in FY2023, by age group and by gender, is as follows:



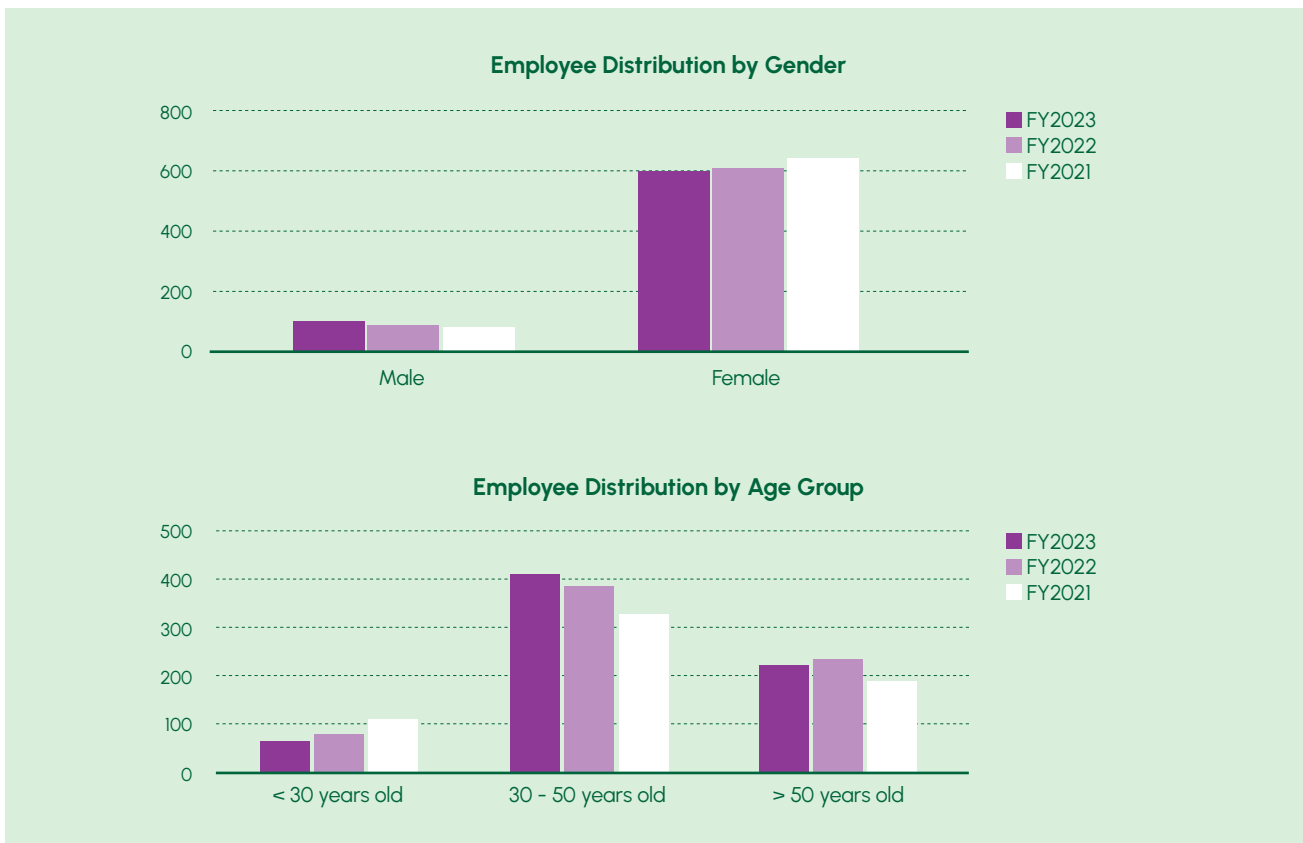
The table below indicates a mild rise in our average monthly new hire and turnover rates relative to FY2022. This trend can be attributed to nurses deciding to pursue opportunities overseas or returning to their native towns after COVID-19. With the borders opening, we have heightened our overseas nursing recruitment. Additionally, we have also actively filled our backend corporate positions. This has help alleviate our staffing situation, stabilise our workforce and keep the attrition rate under control. Looking ahead, we aim to continue maintaining consistent rates of new employee hires and employee turnover, recognising that workforce stability plays a vital role in upholding the quality of services TMPL offers.

ESG Factor	Performance Metrics	FY2022	FY2023
 Employment (GRI 401)	Average monthly new hire rate	1.6%	2.9%
	Average monthly employee turnover rate	2.1%	2.4%

Diversity & Equal Opportunity

At Thomson Medical, we recognise the immense value that a diverse workforce brings, especially in our mission to serve patients and families from diverse backgrounds. We firmly hold that a blend of varied perspectives and skillsets fosters innovation and drives better outcomes for our stakeholders, our teams, and the communities we serve.

From FY2022 to FY2023, the gender distribution within our workforce has improved slightly. In FY2023, males represented 14% of our workforce, a raise from 13%. However, the broader healthcare industry generally sees more female employees, this is especially so for us, given our emphasis on women's and children's healthcare.



Throughout the Group, our commitment to fostering diversity and inclusion remains unwavering. In recent years, we have taken steps to enhance the diversity of our Board. The composition of our Board now includes one-third of female, 56% who are below 50, 56% serving as Non-Executive Directors, and 44% having served for three years or less. In the years ahead, we seek to consistently enhance the diversity of the board composition, thereby ensuring a well-balanced mix of experience, competencies, and knowledge.

For a comprehensive overview of our board diversity policy and nomination processes, we invite you to refer to the Corporate Governance Report section of our Annual Report.


SUSTAINABILITY REPORT

OUR EMPLOYEES

PERFORMANCE RESULTS AND TARGETS (CONT.)

Training and Education

The Group emphasises continuous learning and development for our sustained growth. In FY2023, both our nursing and non-nursing staffs met our annual training targets, which are 40 hours of clinical training for nursing staffs, and completion of key training programs for non-nursing staffs.

ESG Factor	Performance Metrics	FY2022	FY2023	Target
 Training and Education (GRI 404)	Average training hours per year for nursing employees	46	58	40 hours of training at minimum
	Average training hours per year for non-nursing employees ¹	3	5	To complete key training programmes annually

In support of our employees' professional growth, TMPL will remain dedicated to providing equal opportunities for training and education to our employees.

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY

Category	Executives	Middle Management	Senior Management
Nursing Staff	50.3 hours	110.5 hours	-
Non-Nursing Staff	2.6 hours	11.4 hours	12.4 hours

¹ We have performed review and verification of FY2022's training figures, and the updated average training hours per year for non-nursing employees in FY2022 is restated as above.

ENVIRONMENTAL MANAGEMENT

MANAGEMENT APPROACH

Commitment to Sustainable Healthcare

In FY2023, our dedication to environmental sustainability has deepened, reflecting our appreciation of the intricate balance between delivering top-tier healthcare and preserving our planet. As a leading healthcare organisation, we are not just committed to the well-being of our patients but also for the preservation of the environment in which we all live. Our adherence to the ISO 14001 Environmental Management standards and local regulations such as from Ministry of Health, the Health Sciences Authority ("HSA") and National Environmental Agency ("NEA") is a testament to this commitment.

Our facilities are significant consumers of energy and water. The continuous operation of medical equipment and the building services system are essential for patient care, but they also contribute to our environmental footprint. Recognising this, our approach in FY2023 has been to innovate and adapt, ensuring we are doing our best to attain good environmental standards, all while delivering unparalleled patient care.

During our operations, both general and biohazardous waste are generated. Medical facilities produce biohazardous waste, including contaminated sharps, routine clinical waste, infectious waste, pathological waste, and cytotoxic waste, necessitating special handling and disposal to mitigate cross-contamination risks and protect public health.

Our environmental management approach centres on promoting resource efficiency, responsible waste management, and the adoption of eco-friendly practices in the workplace.



POLICIES AND INITIATIVES

Energy and Water Conservation

The efficient and sustainable management of energy and water remains central to our operations, especially within the framework of medical facilities. Notably, while we had met the target set for the Water Consumption Index, the FY2023 data revealed an increase in water consumption compared to FY2022. Despite this challenge, we are resolute in our commitment to address the usage, with plans already underway to strengthen our water conservation efforts.

The BCA Building Energy Benchmarking Report 2022 positions TMC commendably at rank 6 out of 16 hospitals in Singapore concerning the lowest energy use intensity within the healthcare realm. This ranking, while promising, is not just a number. It encapsulates the continuous strive for improvement, the countless hours spent by our team to ensure that every kilowatt-hour of energy and every litre of water is used judiciously.

Furthermore, our dedication towards maintaining a Green Mark certified building means we underwent consistent evaluations, adjusting and adapting based on feedback, ensuring we consistently maintained peak performance in terms of environmental sustainability. The consistent updates, audits, and improvements culminated in our remarkable FY2023 performance.

Responsible Waste Management

Within medical facilities such as ours, the generation of waste spans from standard refuse to biohazardous materials. Ensuring the careful management and disposal of this waste is paramount for the protection of both individuals and the environment. Our FY2023 data for Biohazardous Waste and General Waste underscores our enhanced waste management practices, which signifies our unwavering commitment to environmental stewardship.

Each day we handle wastes like contaminated sharps, clinical refuse, and infectious materials. To ensure their safe disposal and mitigate cross-contamination risks, we collaborate with NEA licensed disposal service providers

SUSTAINABILITY REPORT

ENVIRONMENTAL MANAGEMENT

POLICIES AND INITIATIVES (CONT.)

and implement safety protocols. This includes measures like using colour-coded bags for waste segregation and clearly labelled containers for hazardous items.

Our partnership with licensed collectors, approved by the National Environmental Agency, ensures that our waste is appropriately treated. These collectors use specialised vehicles for collection, followed by safe incineration and landfill disposal. Fundamentally, our waste management strategies are a culmination of consistent annual efforts, highlighting our unwavering dedication to protecting public health and the environment.

Sustainable Meals & Local Produce

Our dedication to the environment extends to our inpatient meals. By serving meals featuring local produce, we are reducing our carbon footprint associated with shorter distance of food transportation. Collaborations with local entities, including the Singapore Food Agency ("SFA"), Citizens' Workgroup and other local vendors, have allowed us to serve meals that are healthy and delectable yet environmentally responsible.

Recycling Initiatives




We introduced sustainable recycling programs, including the recycling of expanded printer toner cartridges, recycling of used carton boxes and a unique initiative to give used sports shoes a second life. These shoes are repurposed into materials beneficial for community infrastructures like jogging tracks and playgrounds.

Environmental Awareness and Education

Our commitment to the environment is not limited to policies and practices. In May 2023, we organised an "Environmental Awareness Talk," aiming to educate our staff and tenants about the environment's fragility and the importance of its protection. Such initiatives underline our belief that informed individuals can make a significant difference.

PERFORMANCE RESULTS AND TARGETS

In FY2023, we were able to meet all the targets relating to our energy consumption, water consumption, and waste generation activities.

ESG Factors	Metrics	FY2022	FY2023	Targets
 Energy (GRI 302)	Energy Consumption Index (kWh/patient-day) ¹	86.54	84.65	< 86.05
 Water and Effluents (GRI 303)	Water Consumption Index (m ³ /patient-day)	0.70	0.77	< 0.84
 Waste (GRI 306)	Biohazardous Waste Index ² (l/patient-day)	6.96	6.83	< 7.85
	General Waste Index (kg/patient-day)	5.78	6.02	< 7.54

¹ The care of one patient during a day of service, excluding the day of discharge

² Biohazardous waste are collected daily in 240L waste bins. For the safety of staff handling biohazardous waste disposal and to prevent cross-contamination risks and safeguard public health, the waste generated are not re-sorted. The Index data is computed from the total number of 240L waste bins disposed.

Amidst the escalating concerns of climate change, adopting a low-carbon business approach is a critical concern for numerous enterprises. We are committed to minimising our environmental footprint. While maintaining the required level of clinical care and patient safety, we aim to limit any future rise in these KPIs to not more than 5% from the baseline figures in FY2020.



COMPLIANCE WITH LAWS AND REGULATIONS

MANAGEMENT APPROACH

Maintaining stringent adherence to both national and international laws and regulations is of paramount importance to our operations. To ensure we meet and often exceed these standards, a robust compliance monitoring system stands at the core of our efforts. This system serves as the backbone, guaranteeing that our activities align seamlessly with both local regulatory mandates and global standards. Our compliance management systems are meticulously tailored to resonate with a plethora of standards, ensuring that every facet of our operations remains compliant. These standards encompass the Health Sciences Authority's regulations, ISO 9001 which focuses on Quality Management Systems, ISO 14001 that delves into Environmental Management Systems, ISO 45001 which addresses Occupational Health & Safety standards, and the highly crucial National Infection Prevention and Control Standards.

In a rapidly changing regulatory landscape, it is imperative to stay ahead and informed of any shifts in legal and regulatory parameters. To this end, we have established a proactive approach: we are subscribed to an advanced electronic legal update service. This service keeps us abreast of any new developments or amendments in laws and regulations. Every quarter, bespoke reports curated from these updates are disseminated to our department heads. This is executed seamlessly via our intranet, ensuring that relevant personnel are always equipped with the most current information.

Our Board of Directors, in partnership with the Audit and Risk Committee, Compliance Team, and Medical Advisory Board, oversees compliance and continually seeks ways to improve. Their joint efforts ensure we uphold the law's requirements and promote a culture of ongoing compliance and improvement.

Our Chief Risk and Compliance Officer ("CRCO") directs our compliance efforts, enhancing governance and ensuring adherence. Reporting to the Group Management Committee headed

by the Group Chief Executive Officer and the Audit and Risk Committee regularly, the CRCO emphasises the Group's commitment to a culture of compliance, strong governance, and integrity.

POLICIES AND INITIATIVES

Anti-Corruption

To effectively navigate the challenges and risks our organisation encounters, we have instituted a comprehensive set of internal guidelines, standards, and protocols. Every member of our team is expected to adhere to these measures to ensure transparency, accountability, and enhanced operational efficiency.

Code of Conduct and Ethics

We have developed a Code of Conduct and Ethics to provide a clear framework for the ethical and responsible behaviour expected of all our staff. By establishing a clear tone at the top, we aim to foster a culture of responsibility and accountability throughout the Group. We maintain a strict stance against any form of misconduct, including abuse of power, bribery, and corruption. Annually, or whenever a potential conflict arises, our Directors and staff declare any personal or business interests that may conflict, or seem to conflict, with the interests of the Group.

To instil our desired organisational values, we ensure our team undergoes regular training and stays updated on any modifications to our code of conduct, conflict-of-interest policy, and ethical guidelines.

Whistleblowing Policy

To uphold a transparent and accountable corporate environment, we have established a whistleblowing framework. This allows our employees and stakeholders to report any possible improprieties or misconduct relating to our operations in confidence and without fear of reprisal. The identity of the whistleblower and the details of the concerns raised are kept confidential, unless required by law to be revealed to the appropriate parties.

SUSTAINABILITY REPORT

COMPLIANCE WITH LAWS AND REGULATIONS

POLICIES AND INITIATIVES (CONT.)

Employees may report any instances of whistleblowing to the Whistleblowing Committee, which comprises key Senior Management of the Group, and the Audit and Risk Committee, or to the Chairman of the Board, if a member of the Whistleblowing Committee is being reported on. An investigation committee, directed by the Whistleblowing Committee, will convene the investigation for each case independently.

Our whistleblowing policy is made available on our intranet and employee handbook for employees' internal references, and on our corporate website for our stakeholders' reference.

Data Privacy and Digital Security

As the Group advances in its digital transformation, aiming to elevate both service quality and organisational efficiency, our data requirements, and the volume of data we handle grow in tandem. Recognising the evolving challenges posed by the digital age, we are committed to consistently enhancing our cybersecurity and data privacy measures.

This ensures the protection of our digital infrastructure, systems, and the vast amounts of data from potential cyber threats. Our comprehensive approach encompasses:

Personal Data Privacy and Confidentiality

The Group places utmost importance on the privacy and security of personal data. It is our duty to shield all information, especially patients' medical data, obtained during our operations from potential misuse or unauthorised access. While we strictly adhere to the regulations set by the Personal Data Protection Act 2012 ("PDPA"), we also align our practices with other relevant regulations, such as the Healthcare Services Act (previously known as Private Hospitals and Medical Clinics Act), the Singapore Medical Council Ethical Code and Ethical Guidelines, the Infectious Diseases Act and the Computer Misuse Act.



Cybersecurity

To fortify our digital assets and infrastructure, the Group adopts a thorough and strategic approach to cybersecurity. We routinely update our IT security protocols and conduct regular audits of our IT systems and infrastructure. We collaborate with NetSfere, a renowned secure mobile messaging platform, to introduce its enterprise-level secure messaging system for our internal communications. This initiative equips our healthcare professionals with a secure, compliant mobile messaging tool, fostering swift communication, enhanced teamwork, and efficiency across the board.

To ensure our team remains vigilant and informed about our cybersecurity and data privacy protocols, we:

- Organise regular policy briefings and training for all staff members.
- Conduct regular cybersecurity evaluations and email phishing simulations.
- Emphasise compliance in our operational KPIs, arranging consistent learning sessions and quarterly assessments to pinpoint and address areas needing enhancement.
- Keep our team informed about potential cybersecurity risks through various methods, including classroom training, multimedia presentations, emails, and intranet updates.
- Set standard operating procedures ("SOPs") in place to manage and rectify potential data breaches.

PERFORMANCE RESULTS AND TARGETS

ESG Factors	FY2023 PERFORMANCE	FY2023 TARGETS
 Anti-Corruption (GRI 205)	No confirmed incidents of corruption or other unethical behaviour	To maintain our track record of zero reported incidents
 Customer Privacy (GRI 418)	No substantiated complaints received concerning leaks, thefts, or losses of customer data, nor any security breaches	To have zero security and data protection breaches

LOCAL COMMUNITIES

At Thomson Medical, our commitment to the community is unwavering. We believe in not just providing healthcare but also in educating and supporting our community in various facets of life.

Our regular Pregnancy and Parenting Seminars are tailored for expectant mothers, offering them insights into maternity, and preparing them for the joys of motherhood. In collaboration with our esteemed partners, these seminars also shed light on our maternity services and accommodation options, empowering mothers-to-be to make informed decisions.

In line with our dedication to Corporate Social Responsibility ("CSR"), our support of the HCSA Community Services underscores our dedication. This year, we championed the cause of single parents through the Dayspring SPIN program. Our Mother's Day event was a resounding success, culminating in a donation of \$10,000 to HCSA, which was proudly presented during our June pregnancy seminar.



Overflowing attendance and engaged audience at one of our regular pregnancy and parenting seminars.



Thomson Medical Singapore CEO Dr Daniel Lee presenting the cheque donation to HCSA.

SUSTAINABILITY REPORT

LOCAL COMMUNITIES

After the lifting of COVID-19 restrictions, we hosted several Confinement Food Tasting Events where we invited expectant mothers to sample dishes from our award-winning confinement menu. We also have, Ms Seah Ai Wei, our head of Thomson Chinese Medicine ("TCM"), enriched the event by sharing invaluable postpartum care tips.

On 5 November 2022, we emphasised the significance of children's dental health through a dedicated TMC Paeds Webinar. This initiative also served to introduce our audience to the comprehensive dental services offered by Thomson Dental Centre ("TDC").

Marking our sixth year of collaboration with I Love Children ("ILC"), we continued our mission to educate couples on fertility wellness. In FY2023, Thomson Fertility Centre ("TFC") sponsored 200 fertility health checks, while TCM provided 50 TCM fertility consultations, inclusive of acupuncture sessions. Our specialists from TFC and TCM were prominent figures at the Know Your Fertility Wellness Seminar held on 10 March 2023. Beyond the seminar, our specialists also embraced social media platforms, including TikTok, to disseminate their expertise and engage with a wider audience.

Through these initiatives, we aim to foster a community that is well-informed, healthy, and supported. Our journey in FY2023 is a testament to our unwavering commitment to serve and uplift our community.



Showcasing our award winning confinement meals during the Confinement Food Tasting Events.



Obstetrician Dr Janice Tung and TCM Physician Seah Ai Wei with event participant.

TCFD ROADMAP

In line with the global efforts to mitigate the effects of climate change and also to ensure that the Group is able to anticipate and react to climate risks and opportunities, we intend to embark on our climate reporting journey and have devised the road map below to guide our efforts in the coming years. We also fully commit to incorporating the recommendations under TCFD to inform our climate disclosures.

TCFD Pillar	Implementation Roadmap		
	YEAR 1	YEAR 2	YEAR 3
Governance	Describe the Board oversight and management role in relation to climate reporting and managing climate risks and opportunities	N.A.	N.A.
Strategy	N.A.	Describe the climate risks, opportunities and impacts we have identified over varied time horizons	Describe the resilience of our strategy under different climate scenarios
Risk management	N.A.	Describe how processes for identifying, assessing and managing climate risks and how these are integrated with our enterprise risk management	Monitor and manage the risks, opportunities and impacts assessed in the prior years
Metrics and Targets	Disclose Scope 1 and 2 emissions	Consider the inclusion of Scope 3 emissions where appropriate and disclose metrics and targets used in relation to climate risk	Where appropriate, enhance our metrics and targets with quantitative data

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of Use	Thomson Medical Group Limited has reported the information cited in this GRI content index, for the period 1 July 2022 to 30 June 2023, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page	
GRI 2: General Disclosures 2021	THE ORGANISATION AND ITS REPORTING PRACTICES		
	2-1	Organisational details	2 - 3
	2-2	Entities included in the organisation's sustainability reporting	2 - 3
	2-3	Reporting period, frequency and contact point	41
	2-4	Restatements of information	66
	2-5	External assurance	N.A.
	ACTIVITIES AND WORKERS		
	2-6	Activities, value chain and other business relationships	41 - 44
	2-7	Employees	60 - 66
	GOVERNANCE		
	2-9	Governance structure and composition	Corporate Governance Report, Pages 76 - 99
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	
	STRATEGY, POLICIES AND PRACTICES		
	2-22	Statement on sustainable development strategy	44 - 48
	2-23	Policy commitments	49 - 73
	2-24	Embedding policy commitments	49 - 73
	2-25	Processes to remediate negative impacts	49 - 73
	2-26	Mechanisms for seeking advice and raising concerns	41
	2-27	Compliance with laws and regulations	69 - 70
	2-28	Membership of associations TMPL is a member of: · Sale of Infant Foods Ethics Committee Singapore · Reproductive Technology Accreditation Committee · Singapore National Employer Federation	
STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	45	
GRI 3: Material Topics 2021	MATERIALITY ASSESSMENT		
	3-1	Process to determine material topics	48
	3-2	List of material topics	48
	3-3	Management of material topics	48

GRI CONTENT INDEX

GRI Standard	Disclosure	Page
GRI 201: Economic Performance 2016	ECONOMIC PERFORMANCE	
	201-1	Direct economic value generated and distributed
	201-2	Financial implications and other risks and opportunities due to climate change
	201-3	Defined benefit plan obligations and other retirement plans
	201-4	Financial assistance received from government
GRI 205: Anti- corruption 2016	ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR	
	205-3	Confirmed incidents of corruption and actions taken
GRI 302: Energy 2016	ENERGY CONSUMPTION	
	302-1	Energy consumption within the organisation
	302-3	Energy intensity
GRI 303: Water and Effluents 2018	WATER AND EFFLUENTS	
	303-1	Interactions with water as a shared resource
	303-5	Water consumption
GRI 306: Waste 2020	WASTE	
	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts
GRI 401: Employment 2016, GRI 202: Market Presence 2016	EMPLOYEE MANAGEMENT	
	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 403: Occupational Health and Safety 2018	OCCUPATIONAL HEALTH AND SAFETY	
	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-9	Work-related injuries
GRI 404: Training and Education 2016	EMPLOYEE TRAINING AND EDUCATION	
	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
GRI 405: Diversity and Equal Opportunity 2016	DIVERSITY AND EQUAL OPPORTUNITY	
	405-1	Diversity of governance bodies and employees
GRI 416: Customer Health and Safety	CUSTOMER HEALTH AND SAFETY	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
GRI 418: Data Privacy	DATA PRIVACY	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

CORPORATE GOVERNANCE REPORT

The Directors and Management of Thomson Medical Group Limited ("TMG") are committed to achieving and maintaining high standards of corporate governance, to promote corporate transparency and to enhance shareholder value. It firmly believes that good corporate governance is essential to the sustainability of the Group's business and performance.

This corporate governance report outlines the main corporate governance policies, processes and practices adopted by TMG during the financial year ended 30 June 2023 ("FY2023") with specific reference to each of the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). To the extent where any provisions have not been fully complied with, appropriate explanations have been provided in the relevant sections.

A: BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Company.

The primary role of the Board is to oversee the affairs of the Company, provide leadership and set the overall business direction of the Group. The Board constantly seeks to protect long-term shareholder value and enhance the returns to the Company.

The Board's principal duties and responsibilities (besides statutory responsibilities) are to:

- (a) Provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- (b) Ensure necessary resources are in place for the Group to meet its strategic objectives;
- (c) Establish and maintain a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
- (d) Monitor and review the performance of the management;
- (e) Identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
- (f) Set the Group's value and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and duly met; and
- (g) Consider sustainability issues such as environmental and social factors as part of its strategic formulation.

The Group has in place a Code of Conduct and Ethics (including Conflicts of Interest), which sets the appropriate tone-from-the-top, the desired organisational culture, and ensures proper accountability within the Company. Directors are expected to objectively discharge their fiduciary duties and responsibilities in the interest of the Company and avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of TMG. Where a Director has a conflict of interest, or it appears that he or she might have a conflict of interest, in relation to any matter, he or she should immediately declare his or her interest at a meeting of the Directors or send a notice to the Company containing details of his or her interest and the conflict, and recuse himself or herself from participating in any discussion and decision on the matter. Directors are updated on the latest relevant statutory and legal requirements from time to time to enable them to discharge their responsibilities effectively and be familiar with current corporate governance best practices to ensure proper accountability within the Company.

Matters Requiring Board Approval

The Company has in place the Limited of Authority Policy ("LOA") which was approved by the Board as the mechanism through which the Board or its delegate approves transactions and financial commitments within the Company and its subsidiaries. It is

the responsibility of the management to ensure that transactions presented to the Board for approval have satisfied all other Group policies and procedures. The LOA covers the authorisation limits of the Group's activities such as investment activities, financing and debt management and capital and operating expenditure.

Matters requiring the Board's decision and approval include:

- (a) Major funding proposals, investments, acquisitions and divestments including the Group's commitment in terms of major capital and other resources;
- (b) The annual budgets and financial plans of the Group;
- (c) Interim and full year results announcements;
- (d) Approval of the annual audited financial statements;
- (e) Internal controls and risk management strategies and execution;
- (f) Appointment of directors and key management staff, including review of their performance and remuneration packages; and
- (g) Any matter which the Board considers significant enough to require the Board's direct attention or would be critical to the proper functioning of the Company or its business.

Delegation of Duties by the Board

To assist the Board in the execution of its duties, the Board has delegated specific authority to the following Board Committees, which function within the respective Terms of Reference approved by the Board.

- (a) Audit and Risk Committee ("**ARC**"); and
- (b) Nominating and Remuneration Committee ("**NRC**")

Each Board Committee reviews the matters that fall within the ambit of its own Terms of Reference and reports its decisions to the Board, which endorses and accepts ultimate responsibility on such matters.

Details of these Board Committees are set out further below in this report.

Key Features of Board Processes

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened, if requested by the Board or if warranted by circumstances deemed appropriate by the Board. All Board and Board Committee meetings are planned and scheduled well in advance, in consultation with the Directors. In between scheduled meetings, matters that require the Board's approval, are circulated to all Directors for their consideration and decision. As provided for in the Company's Constitution, Directors may also participate in Board meetings by tele-conferencing and/or video-conferencing. Six board meetings were held during the financial year ended 30 June 2023.

As part of good corporate governance, all written resolutions passed and minutes of meetings held by these various Board Committees are circulated to the Board for information and review, including all appropriate recommendations for approval by the Board.

Apart from board meetings, important or urgent matters concerning the Group are also presented for the Board's information or decision by way of written resolutions, electronic mail or telephone conferencing.

A Director who is unable to attend any meeting in person may participate via tele-conference. While the Board considers directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including level of discussion at board meetings, provision of guidance and advice on various matters relating to the Group. The Board also considers the other directorships and principal commitments held by the Directors to ensure that they have not compromised the time and attention devoted to the discharge of their duties to the Company.

CORPORATE GOVERNANCE REPORT

Attendance at Board and Board Committee Meetings

The table below sets out the attendance at meetings convened during the financial year under review.

Name of Director	Nature of appointment	Board	ARC	NRC
No. of meetings		6	4	3
No. of meetings attended				
Ng Ser Miang	Chairman, Independent, Non-Executive	6	N.A.	3
Lim Wee Kiat	Executive Vice-Chairman	6	N.A.	N.A.
Dr Heng Jun Li Melvin ⁽¹⁾	Executive, Group CEO	4	N.A.	N.A.
Dr Wong Chiang Yin ⁽²⁾	Executive, Group CEO	1	N.A.	N.A.
Wilson Sam	Executive, Group CFO	6	N.A.	N.A.
Wan Nadiyah Binti Wan Mohd Abdullah Yaakob	Executive, Group CEO of TMC Life Sciences Berhad	6	N.A.	N.A.
Ong Pang Liang	Independent, Non-Executive	5	4	3
Dr Lam Lee G	Independent, Non-Executive	6	4	N.A.
Christina Teo Tze Wei	Independent, Non-Executive	6	N.A.	3
June Leong Lai Ling	Independent, Non-Executive	6	4	N.A.

(1) Appointed as Executive Director and Group Chief Executive Officer on 1 December 2022.

(2) Resigned and ceased as Executive Director and Group Chief Executive Officer on 30 September 2022.

Board Orientation and Training

All newly appointed Directors receive a formal letter from the Company setting out the roles and responsibilities of a Director of the Company and a set of guidance notes which explain the duties and obligations of a director under the Singapore Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Securities & Futures Act. Arrangements are made for new Directors who have no prior experience as a director of an issuer listed on the SGX-ST to undergo mandatory training in his or her roles and responsibilities as prescribed by SGX-ST. Newly appointed Directors are also briefed by Management on the business, operations and financial performance of the Group, including corporate governance practices such as disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price and trade sensitive information.

The Company encourages Directors to attend relevant training programme conducted by the Singapore Institute of Directors ("**SID**") and those courses which SID offers in partnership with the Accounting and Corporate Regulatory Authority, Singapore Exchange Limited and the Institute of Singapore Chartered Accountants. Directors are also encouraged to attend relevant courses offered by other institutes. The Company is responsible for arranging and funding the training of directors. The directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate and risk governance, changes in SFRS(I), changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as board or board committee members. Directors may at any time request for further explanation, briefing or informal discussion on any aspects related to the Group's operations.

The details of seminars, conferences and training programmes attended by some of the director(s) in FY2023 include:

- Listed entity director programme organised by SID
- Environmental, Social, Governance ("**ESG**") Essentials course organised by SID

Dr Heng Jun Li Melvin is a first-time director and had attended the mandatory four core modules of the Listed Entity Director ("LED") programme conducted by the SID, namely LED 1 Listed Entity Director Essentials, LED 2 Board Dynamics, LED 3 Board Performance and LED 4 Stakeholder Engagement.

All directors of the Company had attended one of the sustainability training courses prescribed by SGX-ST.

The Board is briefed on the strategic and business development of the Group at each quarterly board meeting by the Group CEO ("GCEO"). The Board is also briefed on changes to the accounting standards and regulatory updates by the external auditor, Management and the Company Secretary. The Company also organises on-site visits to the Group's key operating facilities overseas for Directors from time to time so as to enable them to have a better understanding of the Group's businesses.

Access to Complete, Adequate and Timely Information

The Board receives complete and adequate reports and discussion papers before scheduled Board meetings and on an on-going basis. Amongst other reports, the Board is also provided with reports from the internal and external auditors. These reports include key findings arising from interim and completed financial, operations and information technology audits for review and evaluation. The Board also receives regular updates on the industry and technological developments.

Such reports enable Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

In addition to members of the Board being briefed by the GCEO at every Board meeting, the CEO of each business divisions are required to attend meetings to provide updates on the Group's business and operations. This allows the Board to develop a good understanding of the progress of the Group's business as well as the issues and challenges facing the Group, and also promotes active engagement with the key executives of the Group.

The Board has separate and independent access to the senior management and the Company Secretary at all times. Directors and Board Committees may, where necessary, seek independent professional advice, paid for by the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board Size and Board Composition

The Board, through regular reviews by the NRC, seeks to ensure an appropriate balance of experience, competencies and knowledge among the Directors to provide effective entrepreneurial leadership to the Company.

Board Composition

As at the date of this report, the Board comprises nine Directors of which five are Independent and Non-Executive Directors and four are Executive Directors. The Independent Directors make up more than one-third of the Board. The Non-Executive Directors make up majority of the Board. Each Director has been appointed on the strength of his/her calibre and experience. The Board and NRC are of the view, given the nature and scope of the Group's operations, the current size of the Board is conducive for effective discussion and decision-making.

CORPORATE GOVERNANCE REPORT

As at the date of this report, the composition of the Board and Board Committees are set out below:

Name of Director	Board	ARC	NRC
Independent and Non-Executive Directors			
Ng Ser Miang	Chairman	-	Chairman
Ong Pang Liang	Member	Chairman	Member
Dr Lam Lee G	Member	Member	-
Christina Teo Tze Wei	Member	-	Member
June Leong Lai Ling	Member	Member	-
Executive Directors			
Lim Wee Kiat	Vice-Chairman	-	-
Dr Heng Jun Li Melvin ⁽¹⁾	Member	-	-
Dr Wong Chiang Yin ⁽²⁾	Member	-	-
Wilson Sam	Member	-	-
Wan Nadiah Binti Wan Mohd Abdullah Yaakob	Member	-	-

(1) Appointed as Executive Director and Group Chief Executive Officer on 1 December 2022.

(2) Resigned and ceased as Executive Director and Group Chief Executive Officer on 30 September 2022.

The current Board consists of high calibre members with a wealth of knowledge, expertise and experience. The Board has contributed valuable direction and insight, drawing from their vast experiences in matters relating to business/management, accounting/finance, industry knowledge, strategic planning, and general corporate matters.

Non-Executive Directors make up a majority of the Board. With their knowledge and competency in their respective fields, Non-Executive Directors have provided constructive advice and good governance guidance for the Board to discharge its principal functions effectively. During the year, some Independent Directors discussed company matters without key management being present and provided feedback to the Board Chairman after such discussions.

Board Diversity Policy

The Board is committed to building an open, inclusive and collaborative culture and recognise the benefits of having a Board and Board Committees with diverse backgrounds and experience. The Company has in place a Board Diversity Policy which advocates meritocracy and endorses the principle of having a board with the appropriate and right balance of skills, knowledge, age, experience and diversity of perspectives which can contribute effectively to the strategy and growth of the Company.

Under the Board Diversity Policy, the NRC will, in reviewing the Board composition, rotation and retirement of Directors and succession planning, consider aspects such as professional qualifications, industry and geographic knowledge, skills, length of service and the needs of the Company. In particular, the NRC considers gender to be an important aspect of diversity and strive to ensure that there is adequate gender mix on the Board. All Board appointments will be based on merit of candidates and will be considered against objective criteria and having due regard for the benefits of diversity on the Board, the needs and the Company's core value.

The current make-up of the Board reflects the Board's commitment to the relevant diversity in gender, age, skills, knowledge and experience.

The Board Diversity Matrix of the Company demonstrates the current diversity of skills, knowledge and experience within the Board as follows:

- Accounting and Finance
- Business Management
- Human Resources
- Compliance and Risk Management
- Information Technology or Digital Transformation
- Legal
- Strategic Planning
- Industry Knowledge (Healthcare)
- Mergers and Acquisitions ("**M&A**")

The current Board composition reflects the Company's commitment to diversity, especially in terms of female representation and age range. In particular, the Board currently comprise three female directors namely Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob, Ms Christina Teo Tze Wei and Ms June Leong Lai Ling. These appointments increased female representation to one-third of the Board.

Currently, 66% or six of our Board members are between 30 to 50 years old. Apart from gender and age representation, the Board has also adopted a policy of regular renewal with 44% or four members serving three years or fewer, 44% or four members between four and eight years and one more than nine years.

The NRC views that the Board has achieved the appropriate level of diversity as advocated in its Board Diversity Policy and does not propose to set specific quantitative target on any particular aspect of diversity, be it age, gender or skill. The NRC's view as shared by the Board, is that any new appointee to the Board as an addition to or to fill a vacancy in the Board must possess the relevant attributes to add to the relevant diversity as appropriate to the needs and future plans of the Group's businesses at that time.

Board Independence

The NRC reviews annually whether a Director or potential candidate for the Board is considered an independent director in accordance with the criterion for independence under the Code and the Listing Rules of SGX-ST.

The Code has defined an "independent" director as one who is independent in conduct, character and judgement and 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 judgment with a view to the best interests of the Company. Under the Listing Rules of SGX-ST, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the NRC.

Each Independent Director is required to declare on an annual basis whether he/she considers himself/herself to be independent and whether he/she has any relationships which would interfere, or be reasonably perceived to interfere with the exercise of his/her independent business judgement. All Independent Directors have confirmed their independence as defined in the Code and the Listing Rules of SGX-ST. All Directors are also required to disclose their interests to the Board whenever there is a change in their interests. Taking into account the views of the NRC, the Board also assesses whether each Independent Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement.

The NRC has reviewed the independence of Mr Ng Ser Miang, Mr Ong Pang Liang, Dr Lam Lee G, Ms Christina Teo Tze Wei and Ms June Leong Lai Ling and is satisfied that there are no relationships which would deem any of them not to be independent. Mr Ng, Mr Ong and Ms Teo each abstained from the deliberations of the NRC on their independence. The Board has accepted the report of the NRC. Each of the Independent Directors has abstained from the Board's deliberation and acceptance of their respective independence.

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Pursuant to Listing Rule 210(5)(d)(iv) effective from 11 January 2023 and Transitional Arrangements to the Listing Rule, an independent director of an issuer who has served for an aggregate period of more than nine years may continue to be considered independent until the conclusion of the annual general meeting of the issuer for the financial year ending on or after 31 December 2023. Dr Lam who has served the Company for an aggregate period of more than 9 years will continue to be deemed independent until the annual general meeting for the financial year ending 30 June 2024. The Board will review the composition of independent directors on the Board to ensure continued compliance with the Listing Rules and the Code after the AGM in 2024.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and management, and no one individual has unfettered powers of decision-making.

The Chairman and GCEO of the Company are separate persons and are not related. The Chairman is a non-executive and independent Director and also chairs the NRC. He sets the agenda for Board meetings, ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board. He encourages constructive relations within the Board and between the Board and management, facilitates the effective contribution of non-executive Directors, and ensures effective communications with shareholders. He takes a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and senior management.

The GCEO bears executive responsibility for the Group's business and implements the Board's decisions. The roles of the Chairman and the GCEO are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Company does not have any lead Independent Director given the majority independence of the Board and that the Chairman is independent. Further, matters affecting the Chairman such as succession and remuneration are deliberated by the NRC, where the majority of the members (including the Chairman) were independent Directors, and where the Chairman was conflicted, he would recuse himself and abstain from voting.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board had merged the Nominating Committee and Remuneration Committee into a new Committee, known as Nominating and Remuneration Committee ("**NRC**") in April 2019, which aimed to improve its efficiency and effectiveness in discharging its duties. The scope and responsibilities of NRC are set out in the Terms of Reference approved by the Board.

The NRC currently consists of three Independent Directors and the composition of the NRC is as follows:

Ng Ser Miang	Chairman	(Chairman, Non-Executive and Independent Director)
Ong Pang Liang	Member	(Independent Director)
Christina Teo Tze Wei	Member	(Independent Director)

The NRC reviews the composition of the Board and Board Committee periodically, taking into account the need for progressive renewal of the Board and each Directors' competencies, commitment, contribution and performance.

To ensure that the governance and business needs of the Group are adequately addressed, the NRC regularly reviews the capabilities of the Directors collectively by taking into account their skills, experience, diversity, and company and industry knowledge.

The NRC met thrice during the financial year ended 30 June 2023. The NRC's role is set out in its written Terms of Reference. The scope and responsibilities for matters relating to nomination are set out in the Terms of Reference approved by the Board, which include the following:

- (a) To identify candidates for nomination and make recommendations to the Board on all board appointments;
- (b) To re-nominate directors, having regard to the director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director;
- (c) To determine annually whether a director is independent;
- (d) To develop and recommend to the Board as a process for evaluation of the performance of the Board, Board Committee and directors;
- (e) To assess the effectiveness of the Board, the Board Committees and the contribution by each individual director to the effectiveness of the Board;
- (f) To review and recommend to the Board the succession plans for directors, in particular, the Chairman and the GCEO;
- (g) To review and recommend the training and professional development programmes for the Board; and
- (h) To review the succession plans and the development programme for key executive.

The NRC regularly reviews the balance and mix of expertise, skills and attributes of the Directors in order to meet the business and governance needs of the Group.

Process for Selection and Appointment of New Directors

The Board considers the importance of putting the right people with the right range of skills, knowledge and experience together for effective governance of the Group's business. The NRC assists the Board in ensuring that the Board comprise individuals whose background, skills, experience and personal characteristics enhance the effectiveness of the current Board and meet its future needs.

All new appointments, selection and re-nomination of Directors are reviewed and proposed by the NRC. The NRC has access to external search consultants and resources to identify potential candidates. Board members may also make recommendations to the NRC. Shortlisted candidates are met by the Board Chairman prior to approval at Board level. Some of the criteria considered by the NRC to identify and evaluate potential Directors include the following:

- The candidate should possess knowledge and experience in areas of value to the Group, including but not limited to accounting or finance, business or management, industry knowledge, strategic planning, customer-based experience or knowledge, environment and sustainability, legal or digital and geographical exposure;
- The candidate should have the aptitude or experience to understand fully the fiduciary duties of a Director and the governance processes of a publicly listed company;
- Independence of mind;
- Capability and how he/she could meet the needs of the Company and simultaneously complement the skillset of other Board members;
- Experience and track record;
- Ability to commit time and effort to discharging his/her responsibilities as a Director;

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- Reputation and integrity; and
- The NRC also have regard to the importance of diversity when considering the richness of the Board as a whole.

Directors' Time Commitment and Multiple Board Representations

Where a Director has multiple Board representations, the NRC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The Board is of the view that a limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors such as whether they are in full-time employment and their other responsibilities. A Director with multiple directorships is expected to ensure that sufficient attention is given to the affairs of the Group.

The NRC takes into account, among other things, in its annual review of each Director's ability to commit time to the affairs of the Company, the attendance records of the Directors at meetings of the Board and Board Committee, the competing time commitments faced by any such individual with multiple board memberships as well as their principal commitments.

The NRC is satisfied that for the financial year ended 30 June 2023, despite their other listed company board representations and other principal commitments, each of the Directors was able to give sufficient time and attention to the affairs of the Company, and was able to adequately carry out his/her duties as a Director of the Company.

Succession Planning

The NRC regards succession planning as an important part of corporate governance and has an internal process of succession planning for the Chairman, Directors, the GCEO and senior management, to ensure the progressive and orderly renewal of the Board and key executives.

Rotation and Re-election of Directors

In accordance with the Constitution of the Company and in compliance with Listing Rule 720(5), one-third of the Directors who have been longest in office since their last re-election, are required to retire by rotation at least once every three years. These Directors are eligible for re-election, subject to approval by the shareholders at the annual general meeting ("AGM"). New Directors will hold office only until the next AGM following their appointments and they will be eligible for re-election. Such Directors are not taken into account in determining the number of Directors who are to retire by rotation.

The NRC has, in its deliberations on the re-appointment of existing Directors, taken into consideration the relevant Director's contribution and performance. The assessment parameters include attendance record and degree of participation at meetings of the Board and Board Committees as well as the quality of participation and contributions.

The Board has accepted the NRC's recommendations to seek approval from shareholders at the forthcoming AGM:

- To re-elect Mr Lim Wee Kiat, Mr Wilson Sam and Dr Lam Lee G who will be retiring by rotation under Article 105(2) of the Constitution of the Company and are eligible for re-election. Mr Lim, Mr Sam and Dr Lam have consented to re-election; and
- To re-elect Dr Heng Jun Li Melvin, newly appointed Director who will be retiring pursuant to Article 106 of the Constitution of the Company and are eligible for re-election. Dr Heng has consented to re-election.

Each of the Directors nominated for re-election abstained from the Board's deliberation and acceptance of their respective re-elections.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board, with the assistance of the NRC, has approved the objective performance criteria and implemented a process for assessing the effectiveness of the Board as a whole and its Board Committee and individual Directors.

Evaluation of Board and Board Committees' Performance

The Board evaluation process involves having Directors complete a questionnaire seeking their views on various aspects of the performance of the Board and Board Committees. Performance criteria for Board performance included Board size and composition, independence, expertise, succession planning and progressiveness in Board refreshment, strategy, preparedness for corporate crisis, risk management and control and team dynamics. Performance criteria for Board Committees' performance included composition, expertise, performance of its functions and effective support to the Board.

Evaluation of Individual Directors' Performance

The Company also conducted a peer and self-evaluation to assess the performance of individual Directors. Performance criteria include factors such as the Director's attendance, preparedness, candour, participation and contribution at Board meetings, industry and business knowledge, functional expertise, and commitment and dedication. The results from the questionnaires and the feedback obtained from the Directors were collated by the Company Secretary and shared with the Board Chairman and the NRC members, and subsequently with the entire Board.

Based on the feedback received from the Directors, the performance of the Board and Board Committees have been satisfactory, and each individual Director has discharged its duties adequately and contributed to the performance of the Board.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

B: REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Matters concerning remuneration and compensation packages for senior management and the Executive Directors are determined and reviewed by the NRC, after giving due regard to the financial and commercial health, and business needs of the Group. The NRC consists of three Independent Directors. No Director is involved in deciding his or her own remuneration.

The Company has consolidated the functions of both the nominating and remuneration committees under the umbrella of the NRC as a single Board Committee. The scope and responsibilities for matters relating to remuneration are set out in the Terms of Reference approved by the Board, which include the following:

- (a) review and recommend to the Board of Directors a framework of remuneration for the Board, GCEO and key management personnel;
- (b) review and recommend to the Board the specific remuneration packages for each director, the GCEO and key management personnel;

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- (c) review all aspects of remunerations, including but not limited to directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind;
- (d) review and administer the share and other incentive scheme(s) adopted by the Company and to decide on the allocation to eligible participants under the said scheme(s); and
- (e) review the Company's obligations arising in the event of termination of the executive directors' and key executives' contracts of service, where required, so as to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC has access to expert advice from independent consultants on remuneration policies as and when necessary. The NRC shall ensure that remuneration consultants, if engaged, shall be free from any relationships with the Company which might affect their objectivity and independence. The expenses of such professional services shall be borne by the Company. For the financial period under review, the Company had engaged AON Solutions Singapore Pte Ltd ("**AON**") to provide consultancy services on share-based compensation for key management. AON is independent and not related to the Group or any of its Directors.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The NRC reviews and recommends to the Board the remuneration framework for the Directors, GCEO and key management personnel taking into account the long-term interests and risk policies of the Group. The remuneration packages for Directors are structured to promote good stewardship of the Company and to retain and motivate the Executive Directors and key management personnel to contribute to the management of the Group to achieve long term success of the Group.

Directors' Remuneration

The framework for Non-Executive Directors' remuneration takes into consideration the demands and responsibilities of the Non-Executive Directors, prevailing market conditions and referencing directors' fees against comparable benchmarks, while bearing in mind the overall performance of the Group. Each Non-Executive Director's remuneration comprises a basic fee as a Board member and an additional fee as a member of each of the Board Committees. The Chairman of each Board Committee is also paid a higher fee compared with the members of the respective committees in view of the greater responsibility carried by that office.

The NRC is of the view that the fee structure of the Non-Executive Directors is appropriate to their level of contribution and does not compromise their objectivity and independence. The total fees payable to Directors are subject to approval by the shareholders at the AGM.

The remuneration policy for the Executive Directors consists of two key components, that is, fixed cash and annual variable. The fixed component includes salary, provident fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable on the achievement of individual and corporate performance targets and takes into account the risk policies. Executive Directors are not paid directors' fees. The remuneration policy has been endorsed by the NRC and the Board.

Key Management Personnel

The remuneration structure for the Company's top key management personnel comprises both fixed and variable components. The fixed component is in the form of a base salary, provident fund contributions and other allowances. The variable component is determined annually based on achievement of specific key performance indicators ("**KPIs**") which are clearly set out for each management personnel each financial year and such KPIs comprise both quantitative and qualitative factors.

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Directors' Remuneration

Whilst the Code recommends that the Company fully discloses the remuneration of each individual Director and the GCEO on a named basis, the Company has, given the confidentiality and commercial sensitivity of remuneration matters and the highly competitive environment in the industry, opted not to disclose the total remuneration of each individual Director in dollar terms to maintain confidentiality of the remuneration packages of these Directors. For the same reasons, the Company also does not provide an upper limit to the remuneration band of "\$500,000 and above".

A summary of the remuneration for each individual Director for the financial year ended 30 June 2023 is as follows:

	Directors' Fees (%)	Base/Fixed Salary (%)	Bonus and Other allowances (%)	Employee share grants ⁽¹⁾ (%)	Employee share options ⁽²⁾ (%)	Total (%)
\$500,000 and above						
Lim Wee Kiat ⁽³⁾	-	62	38	-	-	100
Dr Heng Jun Li Melvin ⁽⁴⁾	2 ⁽⁷⁾	76	4	18	-	100
Dr Wong Chiang Yin ⁽⁵⁾	-	20	80	-	-	100
Wilson Sam	-	52	41	7	-	100
\$250,000 and below \$500,000						
Wan Nadiah Binti Wan Mohd Abdullah Yaakob ⁽⁶⁾	-	70	28	-	2	100
Below \$250,000						
Ng Ser Miang	100	-	-	-	-	100
Ong Pang Liang	100	-	-	-	-	100
Dr Lam Lee G	100 ⁽⁷⁾	-	-	-	-	100
Christina Teo Tze Wei	100	-	-	-	-	100
June Leong Lai Ling	100 ⁽⁷⁾	-	-	-	-	100

Note:

- (1) Relate to the shares granted pursuant to the Company's Share Grant Plan 2015. The fair values of these share grants were estimated at the respective grant dates using the Monte Carlo model.
- (2) Relate to the employee share option scheme granted by TMC Life Sciences Bhd. The fair values of these options were estimated at the respective grant dates using the Black Scholes model.
- (3) Mr Lim is the son of Mr Lim Eng Hock, a controlling shareholder of the Company.
- (4) Appointed as Executive Director and Group Chief Executive Officer on 1 December 2022.
- (5) Resigned and ceased as Executive Director and Group Chief Executive Officer on 30 September 2022.
- (6) Comprise remuneration as Executive Director and Group Chief Executive Officer of TMC Life Sciences Berhad.
- (7) Include director's fee and other allowance received from TMC Life Sciences Berhad.

While the exact remuneration of the Directors is not given, the level and composition of the Directors' remuneration packages expressed in percentage terms are provided as above. The Company believes that such disclosure will balance the interest of the Company and provide shareholders with an adequate appreciation of the Director's remuneration packages and is consistent with the intent of Principle 8 of the Code.

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Key Management Personnel ("KMP") Remuneration

The Code requires the remuneration of at least the top five key management personnel who are not Directors or the GCEO within bands of \$250,000, to be disclosed.

Due to confidentiality and commercial sensitivities of remuneration matters and the highly competitive environment in the industry, the Company has not disclosed the remuneration paid to its top five key management personnel (who are not Directors or the GCEO) on a named basis or in aggregate to ensure the Company's competitive advantage in the retention of its key executives.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company's and individual's performance. The NRC approves the bonus for distribution to staff based on the Company's and individual's performances.

The remuneration of the Executive Directors has been disclosed under the table for Directors' remuneration and is accordingly not included in the table for KMP remuneration for the financial year ended 30 June 2023 as follows:

Number of Executives	Base/Fixed Salary (%)	Bonus and Other allowances (%)	Employee share options ⁽¹⁾ (%)	Total (%)
\$500,000 and above				
1	59	41	-	100
1	26	74	-	100
\$250,000 and below \$500,000				
1	61	39	-	100
Below \$250,000				
1	75	25	-	100
1	73	26	1	100

Note:

(1) Relate to the employee share option scheme granted by TMC Life Sciences Bhd. The fair value of the options was estimated at the grant dates using the Black Scholes model.

No termination, retirement and/or post-employment benefit was granted to any Director, the Chairman or the key executives for the financial period under review.

The Company has a share option scheme known as the "TMG Share Option Scheme 2012" which was approved by shareholders at the extraordinary general meeting held on 26 June 2012. The key terms of the share option scheme are set out in the circular dated 11 June 2012. No options have been granted under the scheme. The scheme has expired on 25 June 2022.

In addition, the Company has a share incentive scheme known as the "Share Grant Plan 2015" which was approved by the shareholders at our extraordinary general meeting held on 29 April 2015. The key terms of the share incentive scheme are set out in the circular dated 14 April 2015. No shares had been awarded under the scheme prior to FY2023. During the financial year ended 30 June 2023, a total of 17,845,600 shares were awarded under the Share Grant Plan 2015 which was announced via SGXNet on 7 March 2023.

The Company believes the above disclosure provides a balance between the interest of the Company and provision of information to shareholders and is consistent with the intent of Principle 8 of the Code.

Remuneration of Employees who are Substantial Shareholders or Immediate Family Members of a Director, the GCEO or a Substantial Shareholder

There is no employee who is a substantial shareholder. Other than as disclosed under the table for Directors' remuneration, there is no employees who are immediate family members of a director, the GCEO or a substantial shareholder of the Company, and whose remuneration exceeded \$100,000 during the year under review. Immediate family member is defined as a spouse, child, adopted child, step-child, brother, sister or parent.

C: ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is responsible for the governance of risk and it recognises the importance of a sound system of risk management and internal controls as part of good corporate governance. There is no separate board risk committee. The Audit and Risk Committee (the "**ARC**") supports the Board in its oversight of the Group's system of internal controls and risk management.

Risk Management

The Group has in place an entity-wide Enterprise Risk Management Framework ("**ERM Framework**") which sets out the Group's risk governance framework and risk management policies.

The Board of Directors assisted by the ARC provides oversight of the risk management system and framework and the system of internal controls as well as reviews their adequacy and effectiveness. It defines the TMG's risk management framework and annually reviews and approves the Group's risk strategy, appetite, governance structure, policies, and management processes.

Working through the Risk Management Committee which comprises senior management and key executives, the ARC ensures that internal, external and emerging risks relevant to the Group are properly identified using different methods. It receives and reviews quarterly reports from management which provides updates on the Group's risk profile and major risk exposures and the steps taken to monitor, control and mitigate such risks, to ensure that such risks are managed within acceptable levels and reviews assurance activities and findings against key risks identified.

While it is impossible to fully eliminate risk, the Group aims to determine and achieve the right balance between mitigating the downside of risks to an acceptable level whilst taking advantage of opportunities in a measured and deliberate manner so as to enhance shareholder value through sustainable growth and profitability.

Further details on the Group's ERM Framework can be found on pages 97 to 99 of this report.

Internal Controls

In performing the internal audit, the internal auditors takes into consideration the respective risk profiles of each business unit when preparing the annual IA plan for the approval of the ARC.

During the financial year under review, the ARC had reviewed the reports submitted by the internal auditors relating to the internal audits conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology control systems. Any material, non-compliance or lapses in internal controls, together with recommendation for improvement were presented to the ARC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In addition, major control weaknesses

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in financial reporting identified in the course of the statutory audit, if any, are highlighted by the external auditors to the ARC. Based on the work performed by the internal auditors, the statutory audit by the external auditors and reviews performed by management, the Board, with the concurrence of the ARC, is of the opinion that the Group has adequate and effective risk management systems and internal controls in place to mitigate critical and significant risks in the following areas: Financial, Operational, Compliance and Information Technology Risks.

While no system can provide absolute assurance against material loss or financial misstatement, the Company's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, the proper accounting records are maintained, and that the financial information used within the business and for publication is reliable. In reviewing these controls, the Directors have had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

The ARC reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company. In addition, the ARC and the Board have received and reviewed a formal assurance from (a) the GCEO and Group Chief Financial Officer ("**GCFO**") that the financial records of the Group have been properly maintained and the financial statements in respect of FY2023 give a true and fair view of the Group's operations and finances and (b) the GCEO, GCFO and Chief Risk and Compliance Officer ("**CRCO**") and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Accountability

The Group prepares its financial statements in accordance with the SFRS(I). In presenting its interim and full year financial results to shareholders, the Board aims to provide to the shareholders, a balanced and comprehensive assessment of the Group's performance, position and prospects.

In line with the SGX-ST Listing Rules, the Board provides a negative assurance statement to the shareholders in its interim financial statements announcements, confirming, to the best of its knowledge and belief, that nothing had come to the attention of the Board which might render the financial statements false, or misleading in any material aspect. The Company also keeps its shareholders, stakeholders and analysts informed of the performance and changes in the Group or its business, which are likely to materially affect the price or value of the Company's securities, on a timely and consistent basis so as to assist shareholders and investors in their investment decision.

The Group, where appropriate, has taken adequate steps to ensure that the Company complies with its disclosure obligations under the listing manual. By fulfilling the statutory reporting requirements, the Group hopes to maintain shareholders' confidence and trust in the capability and integrity of the Company.

The NRC and the ARC have been delegated specific functions to assist the Board in the execution of its duties. The composition of the NRC and its delegated duties and the ARC and its delegated duties are set out in pages 82 to 83 and 90 to 91 of this report respectively.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee which discharges its duties objectively.

The ARC currently comprises three members, the majority of whom including the ARC Chairman, are Independent Directors.

Ong Pang Liang	Chairman	(Independent Director)
Dr Lam Lee G	Member	(Independent Director)
June Leong Lai Ling	Member	(Independent Director)

All members of the ARC are Non-Executive Directors. None of the ARC member is a former partner or director of the existing auditing firm or auditing corporation. The ARC is kept updated by the Management, external and internal auditors on the changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements. The Board is of the view that the members of the ARC are appropriately qualified and have recent and relevant accounting/financial management expertise or experience to discharge the functions of the ARC. The ARC serves as a channel of communication between the Board and the internal auditors. Four ARC meetings were held during the FY2023.

During the financial period under review, the ARC met the Company's internal and external auditors without the presence of management to review the accounting, auditing and financial reporting matters. This is to ensure that an effective control environment is maintained in the Group. The ARC also reviews proposed changes in accounting policies and discusses the accounting implications of major transactions. In addition, the ARC also advises the Board regarding the adequacy of the Group's internal controls and the content and presentation of its half-yearly and annual financial statements.

Specifically, the key responsibilities of the ARC as set out in the Terms of Reference approved by the Board include:

- (a) Financial Reporting
 - i. review the half-yearly and full-year financial statements of the Group prior to their submission to the Board;
 - ii. review the significant financial reporting issues and judgements made by management so as to ensure the integrity of the financial statements and any formal announcements relating to financial performance of the Group;
 - iii. review the assurance provided by the GCEO and GCFO regarding the financial records being properly maintained and the financial statements giving a true and fair view of the Group's operations and finances; and
 - iv. review and report to the Board at least annually the adequacy and effectiveness of the risk management and internal control systems, including financial, operational and compliance and information technology controls.
- (b) External Audit and Internal Audit
 - i. review the annual audit plans and audit reports of external and internal auditors;
 - ii. review and make recommendations to the Board on the appointment, re-appointment and removal of the external and internal auditors, and approving the remuneration and terms of engagement of the external auditors; and
 - iii. review the scope, results and effectiveness of the external and internal audits, and the independence and objectivity of the external and internal auditors annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain independence and objectivity.
- (c) Interested Person Transactions
 - i. review interested person transactions to consider whether they are on normal commercial terms and are not prejudicial to the interests of the Group or its minority shareholders.
- (d) Whistleblowing
 - i. review the Company's whistleblowing policy, and to ensure that arrangements are in place for concerns about possible improprieties in matters of financial reporting or other matters to be raised and independently investigated, and for appropriate follow-up action to be taken.
- (e) Compliance Matters
 - i. review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up on any instances of non-compliance;
 - ii. monitor the processes for addressing complaints made regarding accounting, internal controls and/or auditing matters;
 - iii. clarify the Group's code of conduct and processes for dissemination across all Group personnel and monitoring levels of compliance; and
 - iv. maintain open communication with and receive periodic reports from management regarding compliance matters.

The ARC is authorised to investigate any matter within its Terms of Reference, full access to and co-operation of the management and full discretion to invite any Director or management to attend its meetings. To enable it to discharge its functions properly, the ARC, through management, has access to external counsels and consultants.

CORPORATE GOVERNANCE REPORT

Key Audit Matters

The external auditors have set out the key audit matters in respect of FY2023 in the Independent Auditor's Report on pages 106 to 110 of the Annual Report. The ARC has reviewed and concurred with the basis and conclusions included in the Independent Auditor's Report with respect to the key audit matters.

External Auditors

The Company appoints Ernst & Young LLP which is a firm registered with the Accounting and Corporate Regulatory Authority for the audit of the Company and its Singapore incorporated subsidiaries and member firms of Ernst & Young Global for its significant foreign incorporated subsidiaries (except Vantage Bay JB Sdn Bhd ("VBJB")). The Company engages KPMG PLT, a member firm of KPMG International for the audit of VBJB. The ARC and the Board confirmed that they are satisfied that the appointment of different auditor for VBJB does not compromise the standard and effectiveness of the audit of the Company.

The ARC discussed with the external auditors the audit plan, and the report on the audit of the year-end financial statements; reviewed the external auditor's management letter and management's responses thereto; and reviewed the external auditor's objectivity and independence from management and the Company. In assessing independence, the ARC reviewed the fees and expenses paid to the external auditors, including fees paid for non-audit services during the year. The ARC is of the opinion that the auditor's independence has not been compromised. Accordingly, at the recommendation of the ARC and as approved by the Board, the re-appointment of Ernst & Young LLP as the external auditors will be tabled for shareholders' approval at the forthcoming AGM.

Details of the aggregate amount of fees paid to the external auditors for FY2023, and a breakdown of the fees in total for audit and non-audit services respectively, can be found on page 143.

The Company has complied with the Rules 712, 715 and 716 of SGX-ST Listing Manual in relation to its auditing firms.

Internal Auditors

The Board believes it is crucial to put in place a system of internal controls of procedures and processes to safeguard the assets and shareholders' interests, and to manage risks.

The ARC reviews, annually, the adequacy of the internal audit function to ensure that internal audits are conducted effectively and that the management provides the necessary cooperation to enable the internal auditors to perform its function. The Company's internal audit function has been outsourced to Deloitte & Touche Enterprise Risk Services Pte Ltd. The internal auditor's primary line of reporting is to the Chairman of the ARC. All internal audit reports are submitted to the ARC for consideration, with copies of those reports extended to senior management. In order to ensure timely and adequate closure of internal audit findings, the status of implementation of the actions as agreed by senior management is tracked and discussed with the ARC.

In carrying out its duties, the internal auditors have adopted the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. For FY2023, the ARC reviewed and approved the annual internal audit plan. The internal auditors have unrestricted direct access to the ARC and unfettered access to documents, records, properties and personnel within the Group to carry out its duties effectively. The ARC is satisfied that the internal audit function is independent, effective and adequately resourced.

Whistleblowing Policy

The Company is committed to a high standard of corporate governance. In line with this commitment, the Whistleblowing Policy aims to (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoings or concerns, particularly in relation to fraud, governance or ethics, without fear of reprisals when whistleblowing in good faith; and (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The ARC is responsible for oversight and monitoring of whistleblowing.

The Group prohibits discrimination, retaliation or harassment of any kind against a whistleblower (the "Whistleblower") who submits a complaint or report in good faith. If a Whistleblower believes that he or she is being subject to discrimination, retaliation or harassment for having made a report under this Policy, he or she should immediately report these facts to the GCEO or if the GCEO is the subject of the complaint, to the Chairman of the Board. Reporting should be done promptly to facilitate investigation and the taking of appropriate action.

All reports of incidents, including information or evidence provided, on matters relating to whistleblowing will be handled discreetly and every effort will be made to maintain confidentiality of the information provided, within the limits of the law. The identity of the individual making the allegation shall be kept confidential for the protection of the Whistleblower so long as it does not hinder or frustrate any investigation.

The policy which is available on the Company's intranet and employee handbook, aims to foster a workplace conducive to open communication regarding the Company's business practices and to protect the employees from unlawful retaliation and discrimination for the proper disclosing or reporting of illegal or unethical conduct in good faith. The policy is also available on the Company's website.

Complaints or suspicions of impropriety can be made by employees and other stakeholders in the form of email, letters or written/verbal reports. Anonymous complaints may also be considered, taking into account factors such as seriousness of the issues raised, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. A dedicated email address and the postal reporting address are published on the Company's website to receive such complaints or reports. For employees, there are various channels for the employees to report any improprieties. All cases reported will be investigated objectively and thoroughly and appropriate action will be taken where warranted. The investigation will be independent of the person concerned with the allegation. A summary of the reports received, investigation results and subsequent actions taken are reported to the ARC on a quarterly basis or when warranted. Under certain circumstances, the ARC will be informed of any complaint, as soon as practicable.

D: SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholder Rights

The Company is committed to treating all shareholders fairly and equitably to facilitate the exercise of their ownership rights and to provide them with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

All shareholders receive the Company's annual report and notice of AGM as well as Letter to Shareholders and notice(s) of extraordinary general meeting(s) ("EGMs") (where applicable) within the prescribed notice periods set out in the Company's Constitution and the prevailing laws and regulations. The notices are also released via SGXNet and published in local newspapers, as well as uploaded on the Company's website.

Besides exercising their voting rights at the general meetings convened by the Company, shareholders are encouraged to participate actively and also voice their concerns on any matters relating to the Company and the Group.

CORPORATE GOVERNANCE REPORT

Conduct of Shareholders' Meetings

The Board supports and encourages active shareholder participation at shareholders' meetings. Shareholders are informed of the shareholders' meetings through notices of shareholders' meetings, releases via SGXNet, publication in local newspapers, as well as postings on the Company's website. The shareholders' meetings provide shareholders the opportunity to share their views, meet the Board and senior management, and to interact with them.

The Directors, including the chairpersons of each of the Board Committees are available at the meetings to address shareholders' queries. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders. In FY2022, the Company held one general meeting which was attended by all the Directors and the auditors.

As part of the Company's commitment towards more environmentally-friendly and sustainable practices, it discontinued the practice of mailing out its annual reports. The Company will continue to notify shareholders on how they can access the electronic versions of these reports on the TMG's website. Physical copies of the Company's annual reports will continue to be made available upon request.

Provision 11.4 of the Code provides for a company's constitution to allow for absentee voting at general meetings. The Company's Constitution allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint up to two proxies to attend and vote at its general meetings on his behalf in his absence. The Companies Act allows relevant intermediaries which include the Central Provident Fund ("CPF") and/or Supplementary Retirement Scheme ("SRS") Approved Nominees to appoint multiple proxies and empower CPF and/or SRS investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies. This would enable holders of shares purchased through CPF Investment Scheme to attend and exercise their voting right at general meetings. A CPF or SRS investor who is unable to attend the AGM but who would like to vote may inform his CPF or SRS Approved Nominees to appoint the Chairman of the Meeting to act as his proxy, in which case, the CPF or SRS investor shall be precluded from attending the AGM. To facilitate members who wish to appoint proxy(ies) to vote in their absence, the proxy forms can be submitted by mail or email to the respective addresses indicated in the Notice of AGM and the proxy form.

In compliance with the Companies Act, all resolutions tabled at the Company's shareholders' meetings are separate and voted on individually. The Company has implemented poll voting for all shareholders' resolutions. Independent scrutineers are appointed to conduct the voting process. Independent scrutineers brief the shareholders on the e-polling voting process and verify and tabulate votes after each resolution. The results of the voting at the general meetings showing the number of votes cast for and against each resolution and the respective percentages are shown to the shareholders at the end of each resolution before the Chairman makes a declaration on the passing of the resolution. In addition, the voting results at the general meetings showing the number of votes cast for and against each resolution and the respective percentages and the name of the independent scrutineer will be announced via SGXNet immediately after each meeting.

The forthcoming AGM will be held physically. Members and CPF and SRS investors who attended as proxies of their respective CPF and SRS Approved Nominees may submit questions in advance of the meeting within the prescribed deadline set in the Notice of AGM. The Company will endeavour to address all substantial and relevant questions if received by the prescribed deadline and post the answers on SGXNet and the Company's website. For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised at the AGM.

The minutes of shareholders' meetings which incorporate substantial and relevant queries from shareholders relating to the agenda of the meetings and responses from the Board and Management will be published on the Company's corporate website and on SGXNet.

Dividend Policy

The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected capital expenditure and investments before proposing a dividend. Any pay outs of dividends declared being interim or final will be clearly communicated to shareholders in public announcements and via announcements on SGXNet when the Company discloses its financial results.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Communication with Shareholders

The Company is committed to maintaining high standards of corporate disclosure and transparency. The Company has an Investor Relations Policy to ensure that all material information is disclosed in a comprehensive, accurate and timely manner through the release of announcements and media releases posted on the SGX website. Shareholders and the investing public can access the Company's announcements, media releases, presentation materials disseminated at briefings and other corporate information that have been uploaded on its website. The website provides an effective method of reaching a wide audience and also allows users to sign up for alerts to such disclosures, providing an easy and timely way to stay updated on the Company's latest corporate developments.

To ensure a level playing field and provide confidence to shareholders, unpublished price and trade sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to a select group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNet.

Interaction with Shareholders

The Company is committed to building investor confidence and trust through effective open, two-way communication with shareholders and the investment community. The Group has a dedicated investor relations ("IR") team which focuses on facilitating communications with shareholders and analysts on a regular basis and attending to their queries or concerns in a timely manner. The Company's Investor Relations Policy (the "IR Policy"), available on the Company's corporate website (<https://www.thomsonmedical.com/investor-relations-contact/>), sets out the process and mechanism to engage its stakeholders, including the channel of communication through which shareholders and investors may pose queries and through which the Company may respond. The IR Policy outlines the principles and framework in which the Company communicates and engages with investors, analysts and other IR stakeholders to provide balanced, clear and pertinent information.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced, when compared to the needs and interests of its stakeholders. Stakeholders of the Company include but not limited to patients, employees, suppliers, government, regulators, community, shareholders and investors.

The Company's Sustainability Report is integrated with the Annual Report and accessible to stakeholders when the Annual Report and Notice of AGM is published on SGXNet. Details where stakeholders can engage with the Company are set out in the report. The Company also maintains a corporate website at <https://www.thomsonmedical.com> to communicate and engage with stakeholders.

CORPORATE GOVERNANCE REPORT

F: OTHER INFORMATION

Material Contracts

During FY2023, other than as disclosed in the "Interested Persons Transactions" section below, there were no material contracts, entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder.

Interested Person Transactions

The Group does not have shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual. The Company has established procedures to ensure that all interested persons transactions ("IPTs") are executed on fair terms and at arm's length regardless of their nature and size. All IPTs are reported to the ARC on a quarterly basis. The ARC has reviewed the IPTs entered into during the financial year by the Company.

In compliance with SGX-ST Listing Rules, IPTs that exceed \$100,000 during FY2023 are as follows.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
RSP Architects Planners & Engineers (Pte) Ltd (" RSP Architects ") ⁽¹⁾	RSP Architects is indirectly wholly owned by the Company's controlling shareholder, Mr Lim Eng Hock, who is an immediate family member of Mr Lim Wee Kiat, a director of the Company. Mr Lim Wee Kiat is also the director of RSP Architects.	\$1,448,000	Nil

(1) Provision of design consultancy and build service

Dealings in Securities

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, the Group has a policy which prohibits dealings in the Company's securities by all officers of the Company and its subsidiaries, one month prior to the announcement of the Group's half year and full year financial statements (hereinafter referred to as Black-out Period).

Directors, executive officers and any other persons, as determined by management, who may possess unpublished material price-sensitive or trade-sensitive information of the Group (relevant persons), are also reminded to observe insider trading laws at all times, and not to deal in the Company's securities when in possession of any price-sensitive or trade-sensitive and confidential information regarding the Group, or on short-term considerations. A reminder will be circulated to Directors, executive officers and relevant personnel of the Company and its subsidiaries before the commencement of each Black-out Period, during which, dealings in the Company's securities are prohibited. All Directors of the Company and its subsidiaries are required to report all dealings to the Company Secretary.

The Company confirms it has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the Black-out Period.

Use of Proceeds

Pursuant to the exercise of the Bonus and Piggyback Warrants which expired on 24 April 2019 and 22 April 2022 respectively, the Company received gross proceeds of \$29.5 million and \$5,500 respectively which will be used in accordance to the uses as disclosed in the Circular dated 28 February 2018. On 31 May 2021, the Company had utilised \$10 million of the proceeds towards repayment of bank borrowings.

Enterprise Risk Management

The Group continues to strengthen its Enterprise Risk Management (“ERM”) Framework (the “ERM Framework”) and Risk Management processes to enable us to proactively and effectively manage the risks and uncertainties facing us. The Board and senior management regularly review our ERM Framework and Methodology and ensure that our risk management process remains robust and up to date. This is particularly pertinent in light of the current and evolving geopolitical situation and the pandemic that affect both the global and local economic, supply chain, financial and human resource environments.

Roadmap

The Board and the management undertook a review of the Group’s current ERM maturity level to map out a roadmap for the continuous development of the Group’s ERM.

The goal over the next three years is for the Group to have an ‘integrated’ risk management capability. This will include:

- (a) deepening the risk culture and risk awareness within the Group through regular communication and training;
- (b) establishing a common ERM Framework across all entities in the Group and ensuring a coordinated risk management activities across silos;
- (c) using technology to enable an enterprise-wide risk monitoring, measuring and reporting;
- (d) clear inputs into internal audit and other assurance plans; and
- (e) establish robust contingency plans and escalation procedures.



CORPORATE GOVERNANCE REPORT



The Group compiles a report on its risk profile which summarises the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the ARC and the Board annually. The report provides an overview of the Group's key risks, the appropriate risk tolerance limits set for the respective risks, the key personnel responsible for each key risk identified, and the corresponding mitigating measures in place. The key risks and key controls are as follows:

Key Risks	Key Controls
<p>1 Talent Risk The Group recognises the inability to recruit, retain and develop talent or key employees resulting in disruptions to business activities.</p>	<ul style="list-style-type: none"> • Talent development and retention program. • Contingency plan for key positions.
<p>2 Cybersecurity Risk Cybersecurity is critical as it can have potential adverse impact to our organisation as a result of a cyber-attack, attacks on critical assets or systems leading to disruption of services and operations, financial costs and negative reputational impact. Key risks also include data breaches and leakage of confidential information.</p>	<ul style="list-style-type: none"> • Cybersecurity policies and protocols. • Protection against cyber-attacks and data breaches and leakages. • Security testing to be conducted before the launch of any new website, application, portal or other online feature for the processing of personal data.
<p>3 Reputational Risk Adverse damage to the reputation and brand of the group and key stakeholders arising from unaddressed negative publicity and public sentiments.</p>	<ul style="list-style-type: none"> • Clearly defined brand promise communicated to employees. • Regular feedback from doctors and patients
<p>4 Legal and Regulatory Compliance Violation or non-conformance with relevant laws, regulations and standards can result in penalties, adverse reputational impact and loss of operating licenses.</p>	<ul style="list-style-type: none"> • Maintain and review legal register to proactively identify laws, regulations and updates all potential enhancements to be made. • External legal advice sought for material cases. • Insurance coverage for medical malpractice, public liability and professional liability. • Establish policies and procedures to ensure compliance with all laws and regulations. • Whistleblowing policy established for reporting of complaints. • Periodic (at least annually) update to staff on awareness of key legal regulatory updates. • Various audits, inspections and checks are conducted regularly.

5	<p>Shift in Consumer's Behaviour/ Expectation Failure to adapt to the shift in consumer's behaviour/ expectations, resulting in the loss of potential customers/ market positioning.</p>	<ul style="list-style-type: none"> • Set up new department "Customer Experience" to oversee patient experience and develop excellence framework.
6	<p>Hospital Clinical Risk This includes potential harm to patients due to adverse incidents, for example patient infection, medication errors, falls, hand hygiene risk, mortality.</p>	<ul style="list-style-type: none"> • Setting up various policies and committees to ensure clinical quality, nursing quality, patient safety, workplace health and safety. • Training to provide regular awareness and updates and to upgrade skills of all staff .
7	<p>Data Management Risk Lackluster data management practices resulting in compliance breaches and patient complaints.</p>	<ul style="list-style-type: none"> • Data protection and management policy, continuous review and strengthening of data management and protection practices, continuous training and regular briefing of new employees and updates. • The Group's Data Protection Officer oversees the data protection and management of the Group.
8	<p>Competition Risk Inability to identify and adapt to changing trends to maintain competitive advantage, failure to keep abreast with current trends around new delivery models of care to patients.</p>	<ul style="list-style-type: none"> • Regularly review the Group's strategic goals and targets and identify new services and projects, for example invest in digital marketing and constantly reassess business developments.
9	<p>Change Management Risk Adverse impact to business and operations could arise from poor adaptation to change resulting in poor utilisation of new systems by users.</p>	<ul style="list-style-type: none"> • We manage major changes or introduction of new systems through having Change Management Leads to manage and liaise with all stakeholders involved, engage in extensive consultation with users and design comprehensive training plans for all users and ensure system vendor includes support, training, and maintenance.
10	<p>Service Quality Failure to deliver the clinical and service core programmes for quality healthcare services.</p>	<ul style="list-style-type: none"> • Implement Clinical, Quality & Patient Safety and Service Training Plans. • Manage and monitor feedback.

Further details on the Group's risk management and internal controls are set out on pages 89 to 90 of this report.

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Thomson Medical Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2023.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; 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.

Directors

The directors of the Company in office at the date of this statement are:

Ng Ser Miang
Lim Wee Kiat
Dr Heng Jun Li Melvin (appointed on 1 December 2022)
Wilson Sam
Wan Nadiah Binti Wan Mohd Abdullah Yaakob
Ong Pang Liang
Dr Lam Lee G
Christina Teo Tze Wei
June Leong Lai Ling

In accordance with Article 105(2) of the Constitution of the Company, Mr Lim Wee Kiat, Mr Wilson Sam and Dr Lam Lee G have retired and, being eligible, have offered themselves for re-election. In accordance with Article 106 of the Constitution of the Company, Dr Heng Jun Li Melvin, newly appointed director, who will be retiring and, being eligible, has offered himself for re-election.

Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Companies Act 1967 (the "Act"), an interest in shares, warrants and debentures of the Company and related corporations as stated below:

Name of director	Direct interest held in the name of the director or nominee		Deemed interest	
	As at 1 July 2022	As at 30 June 2023	As at 1 July 2022	As at 30 June 2023
The Company				
Thomson Medical Group Limited				
<i>Ordinary shares</i>				
Ng Ser Miang	9,000,000	9,000,000	6,600,000	6,600,000
Ong Pang Liang	15,000,000	15,000,000	–	–
<i>Time-based Awards⁽¹⁾</i>				
Dr Heng Jun Li Melvin	–	1,468,400	–	–
Wilson Sam	–	1,081,000	–	–
<i>Performance-related Awards⁽¹⁾</i>				
Dr Heng Jun Li Melvin	–	8,810,100	–	–
Wilson Sam	–	6,486,100	–	–
Subsidiary of the Company				
TMC Life Sciences Berhad				
<i>Employees' share option scheme⁽²⁾</i>				
Dr Lam Lee G	2,000,000	–	–	–
Wan Nadiah Binti Wan Mohd Abdullah Yaakob	4,000,000	4,000,000	–	–

⁽¹⁾ This refers to the shares granted pursuant to the Company's Share Grant Plan 2015.

⁽²⁾ This refers to the employees' share option scheme implemented by TMCLS for a period of 5 years till 28 May 2025.

By virtue of Section 164(15)(a) of the Act, Mr Ng Ser Miang is deemed to have an interest in the 6,600,000 shares held by his spouse in the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2023.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' STATEMENT

Share options

TMCLS Employees' Share Option Scheme ("ESOS")

The Company's subsidiary, TMC Life Sciences Berhad ("**TMCLS**"), implemented an ESOS in 2015 for a period of five (5) years till 28 May 2020. The ESOS has been extended for another five (5) years to 28 May 2025. The ESOS, which is administered by the Option Committee ("**OC**") of the subsidiary, is granted to eligible directors and employees ("**Eligible Persons**") of TMCLS to subscribe for shares in TMCLS.

The main features of the ESOS are as follows:

- (a) The Eligible Persons must be at least eighteen (18) years of age on the Date of Offer, who are confirmed on the Date of Offer (in respect of employee only) and have served full time for at least a period of one (1) year of continuous service before the Date of Offer;
- (b) The total number of shares offered under the ESOS shall not in aggregate, exceed 15% of the issued and paid-up ordinary share capital (excluding treasury shares) of TMCLS at any time during the existence of the ESOS;
- (c) The option granted to the Eligible Persons shall be subject to a minimum of one hundred (100) Options and in multiples of one hundred (100) Options and is subject to the following:
 - (i) Not more than 10% of the shares available under the ESOS shall be allocated to an Eligible Person, who either singly or collectively through persons connected with Eligible Persons, hold 20% or more of the issued and paid-up ordinary share capital (excluding treasury shares) of TMCLS.
- (d) An option granted under ESOS may be exercised by the grantee upon achieving the vesting conditions set by the OC and is subject to the allotment of shares over the vesting period; and
- (e) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of TMCLS.

Details of the options to subscribe for ordinary shares of TMCLS pursuant to the ESOS as at 30 June 2023 are as follows:

Expiry date	Exercise Price (MYR)	Number of options
28 May 2025	0.75	11,618,000
28 May 2025	0.94	5,450,000
		17,068,000

Since the commencement of the ESOS till the end of the financial year, the options granted by TMCLS do not entitle the holder of the options to participate, by virtue of the options, in any share issue of any other corporation.

DIRECTORS' STATEMENT

Share incentive

The Share Grant Plan 2015 (the "**Share Plan**") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 29 April 2015. The Share Plan is administered by the Nominating and Remuneration Committee ("**NRC**") and shall continue to be in force at the absolute discretion of the NRC for a maximum of ten (10) years till 29 April 2025.

The following persons shall be eligible to participate in the Share Plan at the absolute discretion of the NRC:

- (a) Full time Group Employees and Associated Company Employees who have attained the age of 21 years on or before the Award Date; and
- (b) Non-Executive Directors.

The selection of a Participant and the grant of Awards to a Participant in accordance with the Share Plan shall be determined at the absolute discretion of the NRC, which shall take into account such relevant criteria as it considers fit, including (but not limited to) his rank, past performance, years of service and potential for future development.

During the financial year ended 30 June 2023, the Company offered the following Share Plan:

- (i) Time-based Awards

The number of shares to be awarded to each participant are subject to time-based vesting conditions on the basis of continued employment. The shares will vest on 8 March 2026. Should the participant's employment with the Group end prior to 8 March 2026, all unreleased Time-based Awards will immediately lapse. The participants are not required to pay for the grant of these Time-based Awards.

The details of shares granted to the participants are as follows:

Time-based Awards participants	Shares granted during the financial year	Balance as at 30 June 2023
Dr Heng Jun Li Melvin	1,468,400	1,468,400
Wilson Sam	1,081,000	1,081,000
	2,549,400	2,549,400

- (ii) Performance-related Awards

The number of shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2022 to 30 June 2025. The shares granted will vest on 31 August 2025. Should the participant's employment with the Group end prior to 31 August 2025, all unreleased Performance-related Awards will immediately lapse. The participants are not required to pay for the grant of these Performance-related Awards.

The details of shares granted to the participants are as follows:

Performance-related Awards participants	Shares granted during the financial year	Balance as at 30 June 2023⁽¹⁾
Dr Heng Jun Li Melvin	8,810,100	8,810,100
Wilson Sam	6,486,100	6,486,100
	15,296,200	15,296,200

⁽¹⁾ Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

DIRECTORS' STATEMENT

Audit and Risk Committee

The Audit and Risk Committee ("**ARC**") carried out its functions in accordance with Section 201B (5) of the Companies Act 1967 (the "**Act**"), the SGX-ST Listing Manual and the Code of Corporate Governance.

The ARC reviews the overall scope of both internal and external audits and the assistance given by management to the auditors. It meets the Company's internal and external auditors to discuss the results of their respective examinations and the internal auditor's evaluation of the Company's system of internal controls. The ARC reviews interested person transactions to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The ARC also reviews the consolidated financial statements and the auditor's report, as well as results announcements to shareholders and the Singapore Exchange Securities Trading Limited before submission to the Board. During the financial year, the ARC met the external auditor and internal auditor once without the presence of management. On an annual basis, the ARC reviews the independence of the external auditor and recommends to the Board, the external auditor to be appointed.

Further details of the ARC are disclosed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment.

On behalf of the board of directors:

Dr Heng Jun Li Melvin
Director

Wilson Sam
Director

Singapore
28 August 2023

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2023

To the members of Thomson Medical Group Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Thomson Medical Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the statements of financial position of the Group and Company as at 30 June 2023, the statements of changes in equity of the Group and Company, and the consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2023

To the members of Thomson Medical Group Limited

Key audit matters (cont'd)

Carrying value of goodwill and property and equipment attributable to BB Waterfront Sdn Bhd

As at 30 June 2023, the carrying value of the Group's goodwill arising from the acquisition of BB Waterfront Sdn Bhd ("**BBWF**") amounted to \$55,925,000. The carrying value of BBWF's property and equipment, which comprise mainly freehold land located in Johor Bahru, Malaysia, amounted to \$79,999,000. The aggregate value of goodwill and property and equipment attributable to BBWF represents 9.4% of the Group's total assets.

For the purpose of the impairment assessment, management has identified BBWF as a cash-generating unit ("**CGU**") to which the goodwill and property and equipment have been allocated. Impairment assessment is carried out annually and whenever there is an indication that the carrying value of the CGU may be impaired.

Management has prepared cash flow projections from financial budgets to assess the recoverable amount of BBWF which will principally be engaged in healthcare services. This assessment requires management to make judgements over certain key inputs for the projections in relation to revenue growth rates, terminal growth rate and discount rate.

Given the magnitude of the carrying value of the CGU and significant judgement and estimation involved in assessing the recoverable amount of BBWF, we have identified this as a key audit matter.

Our audit procedures included, amongst others, obtaining an understanding of the relevant internal controls over estimating the recoverable amount of the CGU and evaluating the management's key assumptions on revenue growth rate and terminal growth rate, by taking into consideration the current and expected future economic conditions. We also compared these key assumptions against past actual outcomes of another subsidiary of the Group which operates in similar activity. We determined the reasonableness of the pre-tax discount rate used to determine the present value of the recoverable amount of BBWF with the assistance of our internal valuation specialists. We further reviewed management's sensitivity analysis of the recoverable amount to reasonable changes in the key assumptions.

In addition, we assessed the adequacy of the disclosures in notes to the financial statements as they are related to goodwill and property and equipment in Note 2.4(b) Business combinations, Note 2.7 and Note 12 Property and equipment, Note 2.8 and Note 13 Intangible assets, Note 2.11 Impairment of non-financial assets, Note 3(a) Impairment of goodwill and Note 3(b) Impairment of property and equipment attributable to BBWF.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2023

To the members of Thomson Medical Group Limited

Key audit matters (cont'd)

Carrying value of investment properties and development property located in Johor Bahru, Malaysia

As at 30 June 2023, the Group's investment properties and development property located in Johor Bahru, Malaysia, amounted to \$90,689,000 and \$85,493,000 respectively, which in aggregate represented 12.2% of the Group's total assets. Investment properties, except for freehold land, are carried at cost less accumulated depreciation and accumulated impairment losses, whilst development property is carried at the lower of cost and net realisable value ("**NRV**"). Freehold land has an indefinite useful life and therefore is not depreciated. As at 30 June 2023, the Group recorded an aggregate accumulated impairment loss of \$53,875,000 and \$50,324,000 on the investment properties and development property respectively.

The carrying amounts of these assets are reviewed annually by management to assess whether there are indicators of impairment. Management assessed the recoverable amount of the investment properties and the NRV of the development property based on valuations obtained from an independent valuer. These valuations involve various underlying assumptions and techniques used by the independent valuer, including adjustments made associated with the market and economic conditions prevailing at the reporting date.

Given the magnitude of these assets and significant judgement and heightened level of estimation uncertainty associated with the economic and property market conditions at the reporting date, we have identified the carrying value of investment properties and development property located in Johor Bahru, Malaysia, as a key audit matter.

Our audit procedures included, amongst others, reviewing management's assessment of the recoverable amount of the investment properties and the NRV of the development property. This includes evaluating the objectivity, competence and capability of management's independent valuer. We also involved our internal valuation specialists in assessing the appropriateness of the valuation method and key assumptions used in the valuations. We compared them to available industry data and comparable market transactions of properties in the vicinity, taking into account the size and location of the investment properties and development property with the assistance of our internal valuation specialists. We also reviewed the adjustments made to the industry data, taking into consideration the market and economic conditions prevailing at the reporting date.

We also assessed the adequacy of the disclosures in notes to the financial statements as they are related to investment properties and development property in Note 2.9 and Note 14 Investment properties, Note 2.10 and Note 20 Development property, Note 2.11 Impairment of non-financial assets and Note 3(c) Impairment of investment properties and development property.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, except for the Statistics of Shareholdings, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2023

To the members of Thomson Medical Group Limited

Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Statistics of Shareholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2023

To the members of Thomson Medical Group Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Peck Yen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
28 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 30 June 2023

	Note	2023	2022
		\$'000	\$'000
Revenue	4	355,769	333,706
Other income	5	5,635	9,816
Inventories and consumables used		(59,380)	(55,321)
Staff costs	8	(117,974)	(107,920)
Depreciation and amortisation expenses		(21,070)	(17,930)
Other operating expenses		(80,720)	(70,544)
Profit from operating activities		82,260	91,807
Finance income		3,948	988
Finance costs	6	(30,512)	(23,497)
Net finance costs		(26,564)	(22,509)
Share of results of a joint venture	17	(493)	-
Profit before taxation	7	55,203	69,298
Income tax expense	10	(14,147)	(10,713)
Profit for the year		41,056	58,585
Profit for the year attributable to:			
Owners of the Company		36,555	53,762
Non-controlling interests		4,501	4,823
		41,056	58,585
Earnings per share (cents per share)			
Basic and diluted	11	0.138	0.203

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2023

	2023	2022
	\$'000	\$'000
Profit for the year	41,056	58,585
Other comprehensive income:		
<u>Item that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	(42,528)	(12,292)
Net change in fair value of cash flow hedges	373	-
<u>Item that will not be reclassified subsequently to profit or loss</u>		
Net change in fair value of financial assets at fair value through other comprehensive income	(119)	975
Other comprehensive income for the year, net of tax	(42,274)	(11,317)
Total comprehensive income for the year	(1,218)	47,268
Total comprehensive income attributable to:		
Owners of the Company	(2,129)	45,315
Non-controlling interests	911	1,953
	(1,218)	47,268

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Non-current assets					
Property and equipment	12	416,023	444,027	267	310
Intangible assets	13	481,647	484,061	–	–
Investment properties	14	91,314	99,629	–	–
Right-of-use assets	15	14,528	13,425	283	541
Investment in subsidiaries	16	–	–	2,192,774	2,209,127
Investment in a joint venture	17	192	–*	–	–
Deferred tax assets	27	605	919	–	–
Other investment	18	2,216	2,335	–	–
Derivative financial instruments	19	373	–	373	–
		<u>1,006,898</u>	<u>1,044,396</u>	<u>2,193,697</u>	<u>2,209,978</u>
Current assets					
Development property	20	85,493	93,225	–	–
Inventories	21	6,326	5,584	–	–
Trade and other receivables	22	62,474	60,147	617,227	615,695
Cash and short-term deposits	23	286,591	161,591	207,597	84,256
		<u>440,884</u>	<u>320,547</u>	<u>824,824</u>	<u>699,951</u>
Total assets		<u>1,447,782</u>	<u>1,364,943</u>	<u>3,018,521</u>	<u>2,909,929</u>
Current liabilities					
Contract liabilities	4	3,642	3,802	–	–
Trade and other payables	24	83,819	86,541	8,426	8,738
Income tax payable		13,891	15,170	407	–
Interest-bearing loans and borrowings	25	12,129	227,679	7,500	225,000
Lease liabilities	26	6,556	5,309	269	246
		<u>120,037</u>	<u>338,501</u>	<u>16,602</u>	<u>233,984</u>
Net current assets/(liabilities)		<u>320,847</u>	<u>(17,954)</u>	<u>808,222</u>	<u>465,967</u>

*Amount less than \$1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Deferred tax liabilities	27	7,333	7,353	–	–
Interest-bearing loans and borrowings	25	735,629	401,421	652,772	325,754
Lease liabilities	26	8,478	8,447	24	284
Provisions	28	862	879	35	35
		752,302	418,100	652,831	326,073
Total liabilities		872,339	756,601	669,433	560,057
Net assets		575,443	608,342	2,349,088	2,349,872
Equity attributable to owners of the Company					
Share capital	29	2,364,503	2,364,503	2,364,503	2,364,503
Retained earnings/(accumulated losses)		154,816	148,546	(15,963)	(14,631)
Other reserves	30	(2,019,877)	(1,981,368)	548	–
		499,442	531,681	2,349,088	2,349,872
Non-controlling interests		76,001	76,661	–	–
Total equity		575,443	608,342	2,349,088	2,349,872
Total equity and liabilities		1,447,782	1,364,943	3,018,521	2,909,929

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

	Attributable to owners of the Company									
	Equity attributable to owners of the Company	Share capital (Note 29)	Merger reserve (Note 30)	Foreign currency translation reserve (Note 30)	Capital reserve (Note 30)	Fair value reserve (Note 30)	Share-based payment reserve (Note 30)	Hedging reserve (Note 30)	Retained earnings	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
Opening balance at 1 July 2022	608,342	2,364,503	(1,842,369)	(92,846)	(47,128)	975	-	-	148,546	76,661
Profit for the year	41,056	-	-	-	-	-	-	-	36,555	4,501
Other comprehensive income										
Foreign currency translation	(42,528)	-	-	(38,938)	-	-	-	-	-	(3,590)
Net change in fair value of cash flow hedges	373	-	-	-	-	-	-	373	-	-
Net change in fair value of financial assets at fair value through other comprehensive income	(119)	-	-	-	-	(119)	-	-	-	-
Other comprehensive income for the year, net of tax	(42,274)	-	-	(38,938)	-	(119)	-	373	-	(3,590)
Total comprehensive income for the year	(1,218)	-	-	(38,938)	-	(119)	-	373	36,555	911
Contributions by and distributions to owners										
Equity-settled share-based payment transactions	212	-	-	-	-	-	175	-	-	37
Dividends on ordinary shares (Note 36)	(30,407)	-	-	-	-	-	-	-	(30,407)	-
Dividends paid to non-controlling interests of subsidiaries	(1,486)	-	-	-	-	-	-	-	-	(1,486)
Total contributions by and distributions to owners	(31,681)	-	-	-	-	-	175	-	(30,407)	(1,449)
Others										
Lapses of employees' share options	-	122	-	-	-	-	-	-	122	(122)
Total others	-	122	-	-	-	-	-	-	122	(122)
Closing balance at 30 June 2023	575,443	499,442	2,364,503	(1,842,369)	(131,784)	856	175	373	154,816	76,001

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

	Attributable to owners of the Company							
	Equity attributable to owners of the Company \$'000	Share capital (Note 29) \$'000	Merger reserve (Note 30) \$'000	Foreign currency translation reserve (Note 30) \$'000	Capital reserve (Note 30) \$'000	Fair value reserve (Note 30) \$'000	Retained earnings \$'000	Non-controlling interests \$'000
Group								
Opening balance at 1 July 2021	566,034	2,364,497	(1,842,369)	(83,424)	(47,128)	-	98,264	76,194
Profit for the year	58,585	-	-	-	-	-	53,762	4,823
<u>Other comprehensive income</u>								
Foreign currency translation	(12,292)	-	-	(9,422)	-	-	-	(2,870)
Net change in fair value of financial assets at fair value through other comprehensive income	975	-	-	-	-	975	-	-
Other comprehensive income for the year, net of tax	(11,317)	-	-	(9,422)	-	975	-	(2,870)
Total comprehensive income for the year	47,268	-	-	(9,422)	-	975	53,762	1,953
<u>Contributions by and distributions to owners</u>								
Shares issued on conversion of warrants	6	6	-	-	-	-	-	-
Equity-settled share-based payment transactions	74	-	-	-	-	-	-	74
Dividends on ordinary shares (Note 36)	(3,966)	-	-	-	-	-	(3,966)	-
Dividends paid to non-controlling interests of subsidiaries	(1,074)	-	-	-	-	-	-	(1,074)
Total contributions by and distributions to owners	(4,960)	6	-	-	-	-	(3,966)	(1,000)
<u>Others</u>								
Lapses of employees' share options	-	-	-	-	-	-	486	(486)
Total others	-	-	-	-	-	-	486	(486)
Closing balance at 30 June 2022	608,342	531,681	2,364,503	(92,846)	(47,128)	975	148,546	76,661

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

	Equity, total	Share capital (Note 29)	Accumulated losses	Hedging reserve (Note 30)	Share-based payment reserve (Note 30)
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
Opening balance at 1 July 2022	2,349,872	2,364,503	(14,631)	–	–
Profit for the year, representing total comprehensive income for the year	29,075	–	29,075	–	–
<u>Other comprehensive income</u>					
Net change in fair value of cash flow hedges	373	–	–	373	–
<u>Contributions by owners</u>					
Equity-settled share-based payment transactions	175	–	–	–	175
Dividends on ordinary shares (Note 36)	(30,407)	–	(30,407)	–	–
	(30,232)	–	(30,407)	–	175
Closing balance at 30 June 2023	2,349,088	2,364,503	(15,963)	373	175
Opening balance at 1 July 2021	2,315,340	2,364,497	(49,157)	–	–
Profit for the year, representing total comprehensive income for the year	38,492	–	38,492	–	–
<u>Contributions by owners</u>					
Shares issued on conversion of warrants	6	6	–	–	–
Dividends on ordinary shares (Note 36)	(3,966)	–	(3,966)	–	–
	(3,960)	6	(3,966)	–	–
Closing balance at 30 June 2022	2,349,872	2,364,503	(14,631)	–	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Operating activities			
Profit before taxation		55,203	69,298
<u>Adjustments for:</u>			
Allowance for expected credit losses on trade receivables, net	22	1,395	150
Amortisation of financing fees on borrowings	25	644	989
Depreciation of property and equipment and investment properties	12,14	13,157	11,117
Depreciation of right-of-use assets	15	6,867	6,439
Amortisation of intangible assets	13	1,046	374
Net loss/(gain) on disposal of property and equipment		142	(23)
Inventories written off	7	207	–
Gain on derecognition of leases		(4)	(52)
Property and equipment written off		11	23
Finance income		(3,948)	(988)
Finance costs	6	29,868	22,508
Share of results of a joint venture	17	493	–
Unrealised exchange loss		364	60
Equity-settled share-based payment transactions		212	74
Impairment loss on goodwill	13	–	146
Total adjustments		50,454	40,817
Operating cash flows before changes in working capital		105,657	110,115
<u>Changes in working capital:</u>			
Increase in inventories		(1,264)	(267)
Increase in trade and other receivables		(4,603)	(32,940)
Increase in trade and other payables and contract liabilities		378	23,280
Total changes in working capital		(5,489)	(9,927)
Cash flows from operations		100,168	100,188
Interest income received		3,203	927
Income taxes paid		(14,777)	(8,313)
Net cash flows generated from operating activities		88,594	92,802

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Investing activities			
Purchase of property and equipment	A	(11,205)	(27,753)
Purchase of intangible assets	13	(1,584)	(372)
Purchase of other investment		–	(1,360)
Proceeds from disposal of property and equipment		86	49
Investment in a joint venture	17	(685)	–*
Net cash flows used in investing activities		(13,388)	(29,436)
Financing activities			
Proceeds from conversion of warrants	29	–	6
Repayment of interest-bearing loans and borrowings	25	(242,567)	(13,316)
Proceeds from interest-bearing loans and borrowings	25	366,097	23,529
Changes in pledged deposits	23	257	(105)
Dividends paid on ordinary shares	36	(30,407)	(3,966)
Dividends paid to non-controlling interests of subsidiaries		(1,486)	(1,074)
Payment of principal portion of lease liabilities	26	(6,572)	(6,445)
Interest paid		(31,105)	(22,112)
Net cash flows generated from/(used in) financing activities		54,217	(23,483)
Net increase in cash and cash equivalents		129,423	39,883
Effect of exchange rate changes on cash and cash equivalents		(4,166)	(1,075)
Cash and cash equivalents at beginning of the year		150,899	112,091
Cash and cash equivalents at end of the year	23	276,156	150,899

A. Purchase of property and equipment

During the financial year ended 30 June 2022, the Group acquired property and equipment with an aggregate cost of \$25,774,000 by way of cash payments of \$27,753,000, increase in provision for restoration costs of \$14,000 and changes in other payables of \$1,993,000. In 2023, property and equipment acquired by the Group were fully paid in cash.

*Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

1. Corporate information

1.1 The Company

Thomson Medical Group Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The registered office and principal place of business of the Company is located at 101 Thomson Road, #20-04/05, United Square, Singapore 307591.

The principal activities of the Company are those of investments, investment holding and strategic investments and other related activities. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

The financial statements of the Company and the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors on 28 August 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (\$ or SGD) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are effective for annual periods beginning on or after 1 July 2022. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) <i>Practice Statement 2: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations

With the exception of business combinations involving entities under common control, acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) that are present ownership interests and entitle their holders to a proportionate share of net assets, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.8(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(c) Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(c) Business combinations involving entities under common control (cont'd)

- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Functional and foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.6 *Functional and foreign currency (cont'd)*

(b) *Consolidated financial statements*

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rate for the year. Exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Property and equipment*

All items of property and equipment are initially recorded at costs. Such costs include the cost of replacing parts of the property and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property and equipment. The cost of an item of property 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.

Subsequent to recognition, all items of property and equipment, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an indefinite useful life and therefore is not depreciated.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Long-term leasehold land	99 years
Building and improvements	10 to 50 years
Renovations	5 to 13 years
Furniture and fittings	5 to 10 years
Medical, electrical equipment and appliances	3 to 13 years
Office equipment and computers	3 to 10 years
Motor vehicles	5 to 10 years

The cost of construction-in-progress represents all costs, including borrowing costs, incurred on the construction of the assets. The accumulated costs will be reclassified to the appropriate property and equipment account when the construction is completed. No depreciation is provided on construction-in-progress as these assets are not yet available for use. Interest on borrowings to finance the construction of property and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed.

Repairs and maintenance costs are taken to profit or loss during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.7 Property and equipment (cont'd)

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Intangible assets

(a) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash generating unit (or group of cash-generating units) retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.8 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Customer relationship

Customer relationship acquired in a business combination is amortised on a straight-line basis over its finite useful life of 2.8 years.

(ii) Hospital management

Hospital management acquired in a business combination is amortised on a straight-line basis over its finite useful life of 4.8 years.

(iii) Computer software

Computer software are amortised on a straight-line basis over its finite useful life of 3 to 10 years. No amortisation is provided on asset under development.

(iv) Brand name

Brand name is amortised on a straight-line basis over its finite useful life of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.9 *Investment properties*

Investment properties are properties that are owned by the Group that are held either to earn rental income or for capital appreciation or for both, rather than for use in the production or supply of goods or services or for administrative purposes, or in the ordinary course of business.

Investment properties measured at cost are accounted for similarly to property and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Subsequent to recognition, investment properties, except for freehold land, are carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an indefinite useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	21 to 50 years
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Transfers are made to or from investment property only when there is a change in use. When transfer is made between investment property and owner-occupied property, its carrying amount at the date of the transfer becomes its carrying amount for subsequent accounting.

2.10 *Development property*

Development property is a property acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development property is measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity.

Borrowing costs that are directly attributable to the acquisition and development of the property under development are capitalised as part of property under development during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.11 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less impairment losses.

2.13 *Affiliated company*

An affiliated company is an entity, not being a subsidiary or an associate, in which the director or shareholder of the Company or a director of a subsidiary has a significant equity interest or exercise significant influence.

2.14 *Joint venture*

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for its investments in joint ventures using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.14 Joint venture (cont'd)

Under the equity method, the investments in joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.15 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.15 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Financial assets designated at fair value through OCI (equity instruments)

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("**OCI**"). The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) 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, financial liabilities that are not carried at fair value through profit or loss 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.16 *Derivative financial instruments and hedge accounting*

The Group uses derivative financial instruments, such as interest rate swap contracts to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

At the inception of a hedge relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The hedging reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.17 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.18 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits which are subject to an insignificant risk of changes in value.

2.19 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the government grant is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

Where the grant relates to income, the grant is 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 under other income.

2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Singapore and Malaysian companies in the Group make contributions to the Central Provident Fund scheme in Singapore and Employees Provident Fund scheme in Malaysia respectively. These are defined contribution pension schemes.

Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.23 Employee benefits (cont'd)

(b) Share-based payment

Certain employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the equity instruments at the date on which the equity instruments are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in staff costs.

The share-based payment reserve is transferred to retained earnings upon expiry of the share plans.

Vesting and non-vesting conditions

Vesting conditions are conditions that determine whether the Group received the services that entitle the counterparty to receive cash, other assets or equity instruments of the Group under a share-based payment arrangement.

Vesting conditions are limited to two types:

- Service condition – a vesting condition that requires the counterparty to complete a specified period of service which services are provided to the Group; and
- Performance condition – a vesting condition that requires
 - (a) The counterparty to complete a specified period of service (i.e. a service condition); the service requirement can be explicit or implicit and;
 - (b) Specified performance target(s) to be met while the counterparty is rendering the required service.

Any condition that is neither a service condition nor a performance condition would be regarded as a non-vesting condition.

Non-vesting conditions are to be taken into account when estimating the fair value of the equity instruments granted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.23 Employee benefits (cont'd)

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.24 Leases

Group as a lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

Office and clinic premises	2 to 8 years
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Right-of-use assets are subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the incremental borrowing rate. Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option, if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.24 Leases (cont'd)

Group as a lessee (cont'd)

Lease liabilities (cont'd)

Lease liabilities are presented as a separate line on the balance sheets.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain an option to purchase or extend. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases of assets in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.25(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.25 Revenue (cont'd)

(a) *Rendering of services*

Revenue from the provision of consultations, clinical treatments, medical tests and operations are recognised upon the completion of the services rendered. Revenue from rendering of package services are recognised by reference to the stage of completion of the transaction at the end of the reporting period, determined by the number of sessions utilised as a percentage of the total sessions sold in a package.

For the rendering of healthcare related package services where the Group satisfies its performance obligations over time, management has determined that an output method provides a faithful depiction of the Group's performance in transferring control of the goods or services to the customers, as it reflects the direct measurements of the value to the customer of goods or services transferred to date relative to the remaining goods or services promised under the contract. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

For the sale of bundled health screening packages, the Group allocates the transaction price to the sale of each distinct service based on their relative stand-alone selling prices. For the sale of bundled vaccination packages, the Group continues to uniformly allocate transaction price based on the pre-determined number of vaccinations within a bundled package as it has assessed the difference of allocating transaction price to the sale of each distinct service based on their relative stand-alone selling prices to be not material. The standalone selling prices are determined based on an adjusted market assessment approach.

(b) *Sale of goods*

Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of the goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) *Rental income*

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Dividends*

Dividend income from subsidiaries and associates are recognised in profit or loss when the right to receive payment is established.

(e) *Interest income*

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.26 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, in the countries where the Group operates and generates taxable income.

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 accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, 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.

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 accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Summary of significant accounting policies (cont'd)

2.26 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

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.

(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.

2.27 *Share capital and share issuance expenses*

Proceeds from the issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against the share capital.

2.28 *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.

Contingent liabilities and assets are not recognised on the balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of goodwill*

As disclosed in Note 13 to the financial statements, the recoverable amounts of the cash generating units ("CGUs") to which the goodwill has been allocated to are determined based on their value-in-use calculations. The value-in-use calculations are based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value-in-use including a sensitivity analysis which are disclosed and further explained in Note 13 to the financial statements.

The carrying amount of goodwill as at 30 June 2023 is \$474,781,000 (2022: \$483,372,000).

(b) *Impairment of property and equipment attributable to BB Waterfront Sdn Bhd ("BBWF")*

The property and equipment attributable to BBWF comprises mainly freehold land located in Johor Bahru, Malaysia, and is carried at cost less accumulated depreciation and any accumulated impairment loss. The recoverable amount of the CGU to which these assets are attributable to is determined based on BBWF's value-in-use calculation. The value-in-use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value-in-use are disclosed and further explained in Note 13 to the financial statements in conjunction with the impairment of goodwill allocated to BBWF.

As at 30 June 2023, the carrying value of BBWF's property and equipment amounted to \$79,999,000 (2022: \$86,353,000).

(c) *Impairment of investment properties and development property*

The Group's investment properties and development property are located within the Iskandar Development Region, Johor Bahru, Malaysia. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, whilst development property is carried at net realisable value. For the purposes of impairment assessment, the Group engaged an independent valuer to assess the fair value of these assets as at 30 June 2023 using the market comparison method. This means that the fair values are based on active market prices, adjusted for any difference in the nature, location or condition of the specific asset.

As at 30 June 2023, the Group's investment properties and development property located within the Iskandar Development Region, Johor Bahru, amounted to \$90,689,000 (2022: \$98,928,000) and \$85,493,000 (2022: \$93,225,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

4. Revenue

(a) *Disaggregation of revenue*

	Group	
	2023	2022
	\$'000	\$'000
<u>Major product or service lines</u>		
Rendering of services, including sale of goods	351,998	330,225
Rental income	3,771	3,481
	355,769	333,706
 <u>Timing of revenue recognition</u>		
At a point in time	347,828	325,140
Over time	7,941	8,566
	355,769	333,706

For further disaggregation disclosure of revenue by business and geographical segments – refer to Note 35.

(b) *Contract balances*

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	30 Jun 2023	30 Jun 2022	1 Jul 2021
	\$'000	\$'000	\$'000
Trade receivables (Note 22)	35,357	37,428	12,504
Contract liabilities	3,642	3,802	3,663

The Group has recognised allowance for expected credit losses on receivables arising from contracts with customers amounting to \$1,395,000 (2022: \$150,000) in the consolidated statement of profit or loss.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for rendering of healthcare related package services.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities during the financial year are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Healthcare services		
Revenue recognised that was included in the contract liability balance at the beginning of the year	3,226	3,374
Revenue recognised during the year	6,287	8,903

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

5. Other income

	Group	
	2023	2022
	\$'000	\$'000
Employment credits	355	1,677
Consultancy fees	80	–
Sponsorship income	3,341	3,424
Recovery of bad debt written off	276	–
Property tax and rental rebates	214	3,345
Administrative and membership income	884	818
Others	485	552
	5,635	9,816

Employment credits include the Wage Credit Scheme, Jobs Growth Incentive, Jobs Support Scheme, Senior Employment Credit and CPF Transition Offset. Wage Credit Scheme was introduced to help businesses in Singapore to adjust the rising wage costs in a tight labour market with the objective to allow businesses to free up resources to make investments in productivity and to share the productivity gains with their employees. Jobs Support Scheme was to provide wage support to employers to retain their local employees during the period of economic uncertainty. Jobs Growth Incentive was provided to support employers to expand local hiring from September 2020 to March 2023. Senior Employment Credit was to promote wage offsets to help employers that employ Singaporean workers adjust to the higher retirement age and re-employment age. CPF Transition Offset was introduced to alleviate the rise in business costs due to increase in CPF contribution rates for senior workers.

6. Finance costs

	Group	
	2023	2022
	\$'000	\$'000
Interest expense:		
- Loans and borrowings	29,301	22,071
- Lease liabilities	567	437
- Amortisation of financing fees on borrowings	644	989
	30,512	23,497

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7. Profit before taxation

The following items have been included in arriving at profit before taxation:

	Note	2023 \$'000	Group 2022 \$'000
Audit fees:			
- Auditor of the Company		300	251
- Other auditors		100	84
Non-audit fees:			
- Auditor of the Company		108	271
- Other auditors		222	44
Allowance for expected credit losses on trade receivables, net	22	1,395	150
Depreciation of property and equipment	12	13,102	11,060
Depreciation of investment properties	14	55	57
Depreciation of right-of-use assets	15	6,867	6,439
Amortisation of intangible assets	13	1,046	374
Directors' fees	9	411	323
Impairment loss on goodwill		–	146
Inventories recognised as an expense in profit or loss	21	43,780	40,534
Inventories written off		207	–
Net loss/(gain) on disposal of property and equipment		142	(23)
Lease expense relating to short-term leases and leases of low-value assets	15	261	134
Professional fees paid to doctors		41,836	41,567

8. Staff costs

	2023 \$'000	Group 2022 \$'000
Salaries and bonuses	98,543	88,411
Defined contribution plans	8,305	9,485
Share-based compensation expenses	212	74
Other short-term benefits	10,914	9,950
	117,974	107,920

TMCLS Employees' Share Option Scheme ("ESOS")

The Group's subsidiary, TMCLS, implemented the ESOS in 2015 for a period of five (5) years till 28 May 2020, which has been extended for another 5 years to 28 May 2025. The ESOS, which is administered by the Option Committee ("OC"), is granted to eligible directors and employees ("Eligible Persons") of TMCLS to subscribe for shares in TMCLS.

There are no cash settlement alternatives in respect of the share options issued under the ESOS.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8. Staff costs (cont'd)

TMCLS Employees' Share Option Scheme ("ESOS") (cont'd)

Details of all the options to subscribe for ordinary shares of TMCLS pursuant to the ESOS outstanding as at 30 June 2023 are as follows:

Date of issue	No. of share options outstanding	Exercise Price (MYR)	Vesting period
28 August 2015	4,213,000	0.75	9.75 years
25 January 2017	3,450,000	0.94	8.34 years
26 September 2018	2,000,000	0.94	6.67 years
17 November 2020	7,405,000	0.75	4.53 years
	<u>17,068,000</u>		

Movements in the number of share options and their related weighted average exercise prices ("**WAEP**") are as follows:

	2023		2022	
	No.	WAEP (MYR)	No.	WAEP (MYR)
Outstanding at beginning of the year	23,381,000	0.79	24,081,000	0.79
- Forfeited	(6,313,000)	0.75	-	-
- Lapsed	-	-	(700,000)	0.76
Outstanding at end of the year	<u>17,068,000</u>	0.81	<u>23,381,000</u>	0.79
Exercisable at end of the year	<u>17,068,000</u>	0.81	<u>23,381,000</u>	0.79

- There were no options granted during the financial year.
- There were no options exercised during the financial year.
- The weighted average remaining contractual life for options outstanding at the end of the year is 1.9 (2022: 2.9) years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8. Staff costs (cont'd)

TMCLS Employees' Share Option Scheme ("**ESOS**") (cont'd)

Fair values of share options granted

The fair values of the share options as at the date of grant are estimated at the respective grant dates using the Black Scholes Model, taking into account the terms and conditions upon which the share options were granted. The range of inputs to the models used to fair value the share options are shown below:

	Grant dates			
	17 Nov 2020	26 Sep 2018	25 Jan 2017	28 Aug 2015
Dividend yield (%)	0.38	0.21	0.16	0.57
Historical volatility (%)	29.81	20.94	17.79	36.73
Risk-free interest rate at grant date (% p.a.)	2.11	3.44	3.40	3.91
Potentially dilutive share price (MYR)	0.54	0.74	0.94	0.51

The expected volatility is based on the historic volatility (calculated based on weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information of TMCLS's shares.

*Share Grant Plan 2015 (the "**Share Plan**")*

The Plan was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 29 April 2015. The Share Plan is administered by the Nominating and Remuneration Committee ("**NRC**") and shall continue to be in force at the absolute discretion of the NRC for a maximum of ten (10) years till 29 April 2025.

During the financial year ended 30 June 2023, the Company offered the following Share Plan:

(i) Time-based Awards

The number of shares to be awarded to each participant is subject to time-based vesting conditions on the basis of continued employment in the Group from 7 March 2023 to 7 March 2026. The shares will vest on 8 March 2026. Should the participant's employment with the Group end prior to 8 March 2026, all unreleased Time-based Awards will immediately lapse. The participants are not required to pay for the grant of these Time-based Awards.

(ii) Performance-related Awards

The number of shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2022 to 30 June 2025. The shares granted will vest on 31 August 2025 and will lapse if performance targets are not met at the end of the performance period. Should the participant's employment with the Group end prior to 31 August 2025, all unreleased Performance-related Awards will immediately lapse. The participants are not required to pay for the grant of these Performance-related Awards.

Details of shares awarded to participants as at 30 June 2023 are as follow:

	Time-based Awards	Performance- related Awards
	No.	No.
At beginning of the year	–	–
- Granted	2,549,400	15,296,200
At end of the year	2,549,400	15,296,200

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8. Staff costs (cont'd)

Share Grant Plan 2015 (the "**Share Plan**") (cont'd)

Fair value of shares granted

The fair values of the shares granted as at the date of grant are estimated at the respective grant dates using the Monte-Carlo Simulation Model, taking into account the terms and conditions upon which the shares were granted. The model simulates the total shareholder return ("**TSR**") and compares it against the group of principal competitors. It takes into account historic dividends, share price fluctuation covariance of the Company and each entity within the group of competitors to predict the distribution of relative share performance.

The following table lists the inputs to the pricing models:

	Time-based Awards	Performance-related Awards
Grant date	7 March 2023	7 March 2023
Dividend yield (%)	1.46	1.46
Expected volatility (%)	56.56	56.56
Risk-free interest rate (% p.a.)	3.57	3.62
Share price (\$)	0.076	0.079

The expected volatilities are based on the historical volatilities of the Company's share price over the expected term immediately preceding the grant date. The expected term used in the model is based on the term between grant date and the end of the vesting (performance) period.

9. Related party disclosures

Compensation of directors and key management personnel

	Group	
	2023	2022
	\$'000	\$'000
Directors' fees	411	323
Salaries and short-term employee benefits	5,172	3,994
Share-based payments	184	17
	<u>5,767</u>	<u>4,334</u>
<i>Comprise amounts paid to:</i>		
Directors of the Company	3,967	2,762
Other key management personnel	1,800	1,572
	<u>5,767</u>	<u>4,334</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

10. Income tax expense

(a) Major components of income tax expense

The major components of income tax expense for the financial year ended 30 June 2023 and 2022 are:

	Note	Group	
		2023	2022
		\$'000	\$'000
<i>Consolidated statement of profit or loss:</i>			
Current income tax			
- current income taxation		13,498	14,861
- over provision in respect of previous years		(12)	(95)
		13,486	14,766
Deferred income tax			
- origination and reversal of temporary differences		478	(4,233)
- under provision in respect of previous years		183	180
	27	661	(4,053)
Income tax expense recognised in profit or loss		14,147	10,713

(b) Relationship between tax expense and profit before taxation

A reconciliation between tax expense and the product of profit before taxation multiplied by the applicable corporate tax rate for the financial year ended 30 June 2023 and 2022 is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Profit before taxation	55,203	69,298
Tax at the domestic rates applicable to profits in the countries where the Group operates	10,190	12,460
Adjustments:		
Non-deductible expenses	6,846	5,465
Share of results of a joint venture	84	-
Income not subject to taxation	(10)	(542)
Deferred tax assets not recognised	326	156
Effect of partial tax exemption and tax relief	(186)	(169)
Under provision in respect of previous years	171	85
Utilisation of investment tax allowances	(572)	(462)
Benefits from previously unrecognised tax losses and capital allowance	(507)	(61)
Deferred tax assets recognised on investment tax allowances	(2,196)	(5,871)
Others	1	(348)
	14,147	10,713

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

11. Earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the year ended 30 June 2023 and 2022:

	Group	
	2023	2022
	\$'000	\$'000
Profit for the year attributable to owners of the Company	36,555	53,762
	<hr/>	<hr/>
	Group	
	2023	2022
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	26,441,067	26,441,067
Effects of dilution		
- Share Plan	5,671	-
Weighted average number of ordinary shares for diluted earnings per share computation	26,446,738	26,441,067
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

12. Property and equipment

Group	Freehold land \$'000	Long-term leasehold land \$'000	Building and improvements \$'000	Renovations \$'000	Furniture and fittings \$'000	Medical, electrical equipment and appliances \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
At 1 July 2021	212,548	22,026	64,685	26,315	5,432	63,885	4,803	676	122,521	522,891
Additions	-	-	916	904	587	6,676	734	283	15,674	25,774
Disposals/write off	-	-	-	(838)	(30)	(725)	(3)	(136)	-	(1,732)
Reclassifications from construction-in-progress	-	-	92,540	197	211	7,735	795	-	(101,478)	-
Exchange differences	(1,386)	(524)	(2,138)	(200)	(45)	(919)	(139)	(3)	(1,457)	(6,811)
At 30 June 2022	211,162	21,502	156,003	26,378	6,155	76,652	6,190	820	35,260	540,122
Accumulated depreciation										
At 1 July 2021	-	2,096	17,176	14,509	4,480	44,832	4,095	511	-	87,699
Charge for the year	-	231	2,782	2,962	345	4,461	215	64	-	11,060
Disposals/write off	-	-	-	(830)	(19)	(718)	(2)	(114)	-	(1,683)
Exchange differences	-	(53)	(190)	(115)	(30)	(490)	(100)	(3)	-	(981)
At 30 June 2022	-	2,274	19,768	16,526	4,776	48,085	4,208	458	-	96,095
Net carrying amount										
At 30 June 2022	211,162	19,228	136,235	9,852	1,379	28,567	1,982	362	35,260	444,027

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

12. Property and equipment (cont'd)

Group	Freehold land \$'000	Long-term leasehold land \$'000	Building and improvements \$'000	Furniture and fittings \$'000	Medical, electrical equipment and appliances \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
At 1 July 2022	211,162	21,502	156,003	6,155	76,652	6,190	820	35,260	540,122
Additions	-	-	-	355	7,212	507	-	2,056	11,205
Disposals/write off	-	-	(260)	(674)	(6,643)	(4)	(84)	-	(8,269)
Reclassifications from construction-in-progress	-	-	631	174	416	555	-	(1,776)	-
Reclassification to intangible assets	-	-	-	-	-	-	-	(5,829)	(5,829)
Exchange differences	(4,716)	(1,783)	(9,546)	(180)	(3,591)	(554)	(9)	(2,699)	(23,767)
At 30 June 2023	206,446	19,719	146,828	5,830	74,046	6,694	727	27,012	513,462
At 1 July 2022	-	2,274	19,768	4,776	48,085	4,208	458	-	96,095
Charge for the year	-	218	4,125	391	5,262	513	64	-	13,102
Disposals/write off	-	-	(253)	(657)	(6,474)	(4)	(84)	-	(8,030)
Exchange differences	-	(198)	(781)	(111)	(1,822)	(367)	(9)	-	(3,728)
At 30 June 2023	-	2,294	22,859	4,399	45,051	4,350	429	-	97,439
At 30 June 2023	206,446	17,425	123,969	1,431	28,995	2,344	298	27,012	416,023

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

12. Property and equipment (cont'd)

	Furniture and fittings \$'000	Office equipment and computers \$'000	Renovation \$'000	Motor vehicle \$'000	Total \$'000
Company					
Cost					
At 1 July 2021	135	48	195	136	514
Additions	–	4	–	283	287
Disposals/write off	–	–	–	(136)	(136)
At 30 June 2022 and 1 July 2022	135	52	195	283	665
Additions	5	12	–	–	17
At 30 June 2023	140	64	195	283	682
Accumulated depreciation					
At 1 July 2021	75	44	195	102	416
Charge for the year	27	4	–	22	53
Disposals/write off	–	–	–	(114)	(114)
At 30 June 2022 and 1 July 2022	102	48	195	10	355
Charge for the year	28	4	–	28	60
At 30 June 2023	130	52	195	38	415
Net carrying amount					
At 30 June 2022	33	4	–	273	310
At 30 June 2023	10	12	–	245	267

As at the end of the financial year, leasehold land, building and improvements and construction-in-progress of the Group with a total carrying amount of \$100,288,000 (2022: \$99,904,000) has been pledged as security for interest-bearing loans and borrowings as disclosed in Note 25.

During the financial year ended 30 June 2022, interest expense of \$1,175,000 was capitalised as construction-in-progress. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.27%, which was the effective interest rate of the specific borrowing. No interest expense was capitalised during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

13. Intangible assets

	Goodwill	Computer software	Software development-in-progress	Brand name	Customer relationship	Hospital management	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Cost							
At 1 July 2021	486,043	2,393	–	200	2,812	698	492,146
Additions	–	372	–	–	–	–	372
Exchange differences	(2,525)	(51)	–	–	–	–	(2,576)
At 30 June 2022 and 1 July 2022	483,518	2,714	–	200	2,812	698	489,942
Additions	–	1,339	245	–	–	–	1,584
Write-off	–	(118)	–	–	–	–	(118)
Reclassifications from property and equipment	–	5,829	–	–	–	–	5,829
Exchange differences	(8,591)	(357)	–	–	–	–	(8,948)
At 30 June 2023	474,927	9,407	245	200	2,812	698	488,289
Accumulated amortisation and impairment							
At 1 July 2021	–	1,710	–	177	2,812	698	5,397
Amortisation	–	351	–	23	–	–	374
Impairment	146	–	–	–	–	–	146
Exchange differences	–	(36)	–	–	–	–	(36)
At 30 June 2022 and 1 July 2022	146	2,025	–	200	2,812	698	5,881
Amortisation	–	1,046	–	–	–	–	1,046
Write-off	–	(118)	–	–	–	–	(118)
Exchange differences	–	(167)	–	–	–	–	(167)
At 30 June 2023	146	2,786	–	200	2,812	698	6,642
Net carrying amount							
At 30 June 2022	483,372	689	–	–	–	–	484,061
At 30 June 2023	474,781	6,621	245	–	–	–	481,647

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

13. Intangible assets (cont'd)

Impairment testing of goodwill

Goodwill is derived from the excess of purchase consideration over the fair value of the identifiable net assets acquired. Goodwill arising from business combinations has been allocated to the following cash-generating units ("CGUs") for impairment testing:

	2023	2022
	\$'000	\$'000
Thomson Medical Pte Ltd ("TMPL")	379,788	379,788
TMC Life Sciences Berhad ("TMCLS")	39,068	42,601
BB Waterfront Sdn Bhd ("BBWF")	55,925	60,983
	<u>474,781</u>	<u>483,372</u>

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period, except for BBWF and TMCLS. BBWF is a fully owned subsidiary of TMCLS that owns Thomson Iskandar, a medical hub project under construction and development in Malaysia. The cash flow projections used in the value-in-use calculations for BBWF were based on financial budgets approved by management covering a fifteen-year period which comprises five-year period of construction and development, followed by a ten-year period of medical hub operations and an imputed terminal growth thereafter.

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow beyond the forecasted period are as follows:

	Terminal growth rates (%)		Discount rates (%)	
	2023	2022	2023	2022
TMPL	2.5	3.0	8.1	7.0
TMCLS	3.0	4.0	9.5	9.0
BBWF	3.0	3.0	10.2	9.7

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

Terminal growth rates – The growth rates indicated are estimated by management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Pre-tax discount rates – Discount rates reflect management's estimate of risks specific to each CGU.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use for the CGUs, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

14. Investment properties

	Freehold land	Building	Total
	\$'000	\$'000	\$'000
Group			
Cost			
At 1 July 2021	160,671	1,773	162,444
Exchange differences	(3,823)	(42)	(3,865)
	<hr/>	<hr/>	<hr/>
At 30 June 2022 and 1 July 2022	156,848	1,731	158,579
Exchange differences	(13,009)	(144)	(13,153)
At 30 June 2023	<hr/>	<hr/>	<hr/>
	143,839	1,587	145,426
Accumulated depreciation and impairment			
At 1 July 2021	60,034	295	60,329
Charge for the year	–	57	57
Exchange differences	(1,429)	(7)	(1,436)
	<hr/>	<hr/>	<hr/>
At 30 June 2022 and 1 July 2022	58,605	345	58,950
Charge for the year	–	55	55
Exchange differences	(4,860)	(33)	(4,893)
At 30 June 2023	<hr/>	<hr/>	<hr/>
	53,745	367	54,112
Net carrying amount			
At 30 June 2022	<hr/>	<hr/>	<hr/>
	98,243	1,386	99,629
At 30 June 2023	<hr/>	<hr/>	<hr/>
	90,094	1,220	91,314

The investment properties include a piece of freehold land located within the Iskandar Development Region, Johor Bahru, Malaysia.

The Group has pledged its freehold land with a carrying amount of \$90,094,000 at 30 June 2023 (2022: \$98,243,000) to secure an undrawn loan facility.

As at the end of the financial year, an investment property with a carrying amount of \$625,000 (2022: \$701,000) has been pledged as security for interest-bearing loan and borrowings as disclosed in Note 25.

The recoverable amount of the freehold land was determined based on the fair value using the direct comparison method. The fair value measurement was categorised as Level 3 based on the inputs in the valuation technique used (Note 32(e)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

15. Right-of-use assets

	Group	Company
	Office and clinic premises	Office premise
	\$'000	\$'000
Cost		
At 1 July 2021	25,462	1,412
Additions	3,747	–
Derecognition	(8,776)	(633)
Lease modifications	5,296	–
Exchange differences	(61)	–
	<hr/>	<hr/>
At 30 June 2022 and 1 July 2022	25,668	779
Additions	8,303	–
Derecognition	(9,879)	–
Lease modifications	(95)	–
Lease remeasurement	5	5
Exchange differences	(178)	–
At 30 June 2023	<hr/>	<hr/>
	23,824	784
Accumulated depreciation		
At 1 July 2021	14,208	613
Charge for the year	6,439	258
Derecognition	(8,374)	(633)
Exchange differences	(30)	–
	<hr/>	<hr/>
At 30 June 2022 and 1 July 2022	12,243	238
Charge for the year	6,867	263
Derecognition	(9,723)	–
Exchange differences	(91)	–
At 30 June 2023	<hr/>	<hr/>
	9,296	501
Carrying amount		
At 30 June 2022	<hr/>	<hr/>
	13,425	541
At 30 June 2023	<hr/>	<hr/>
	14,528	283

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

15. Right-of-use assets (cont'd)

Amounts recognised in profit or loss:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Depreciation of right-of-use assets	6,867	6,439	263	258
Interest expense on lease liabilities (Note 6)	567	437	17	23
Gain on derecognition of leases	(4)	(52)	–	–
Lease expense relating to short-term leases and leases of low-value assets	261	134	–	–

The Group had total cash outflows for leases of \$7,400,000 (2022: \$7,016,000) for the financial year ended 30 June 2023. The Group also had non-cash additions to right-of-use assets and lease liabilities of \$8,188,000 (2022: \$3,722,000). Modifications relate to change in lease terms for certain leases.

16. Investment in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
Shares, at cost	2,410,788	2,410,778
Capital contribution to a subsidiary	175	–
Less: Accumulated impairment losses	(218,189)	(201,651)
	2,192,774	2,209,127

Movement in impairment losses is as follows:

	Company	
	2023	2022
	\$'000	\$'000
Balance at beginning of year	201,651	196,279
Impairment losses during the year	16,538	5,372
	218,189	201,651

The Company has pledged its shares in certain subsidiaries to secure loan facility (Note 25).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

16. Investment in subsidiaries (cont'd)

(a) *Composition of the Group*

The Group has the following significant investments in subsidiaries:

Name of Company	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2023	2022
<i>Held by the Company:</i>				
Sasteria Pte Ltd ⁽¹⁾	Singapore	Investment holding	100	100
Vantage Bay JB Sdn. Bhd. ⁽³⁾	Malaysia	Property development	100	100
Thomson X Pte Ltd ⁽¹⁾	Singapore	Information technology and computer service activities	100	100
Sasteria (VN) Pte Ltd ⁽⁴⁾	Singapore	Investment holding	100	–
<i>Held through Sasteria Pte Ltd:</i>				
Sasteria (M) Pte Ltd ⁽¹⁾	Singapore	Investment holding	100	100
Thomson Medical Pte Ltd ⁽¹⁾	Singapore	Operates a hospital	100	100
<i>Held through Thomson Medical Pte Ltd:</i>				
Thomson Paediatric Centre Pte Ltd ⁽¹⁾	Singapore	Operates specialist paediatric medical clinics	80	80
Thomson Women's Clinic Holdings Pte Ltd ⁽¹⁾	Singapore	Operates specialist medical clinics	100	100
Thomson Women Cancer Centre Pte Ltd ⁽¹⁾	Singapore	Operates specialist medical clinics	55	55
Thomson Kids Pte Ltd ⁽¹⁾	Singapore	Clinical, counselling, diagnoses, specialised learning programmes	100	100
<i>Held through Sasteria (M) Pte Ltd:</i>				
TMC Life Sciences Berhad ⁽²⁾	Malaysia	Investment holding	70.13	70.13
<i>Held through TMC Life Sciences Berhad:</i>				
Thomson Hospitals Sdn Bhd ⁽²⁾	Malaysia	Multi-disciplinary tertiary care services	100	100
BB Waterfront Sdn Bhd ⁽²⁾	Malaysia	Provision of healthcare services	100	100
TMC Biotech Sdn Bhd ⁽²⁾	Malaysia	Provision of fertility consultancy, laboratory and embryology services and research and development	100	100
TMC Women's Specialist Holdings Sdn Bhd ⁽²⁾	Malaysia	Business of operating fertility centres and providing related services	100	100

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by member firms of EY Global in Malaysia

⁽³⁾ Audited by member firms of KPMG International

⁽⁴⁾ During the financial year ended 30 June 2023, the Company incorporated a new wholly owned subsidiary, Sasteria (VN) Pte Ltd, with an initial capital of \$10,000. As of 30 June 2023, the Company is still in the midst of appointing an auditor.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

16. Investment in subsidiaries (cont'd)

(b) *Interest in subsidiary with material non-controlling interest ("NCI")*

The following subsidiary has NCI that is material to the Group.

	TMC Life Sciences Berhad and its subsidiaries	
	2023	2022
Proportion of ownership interest held by NCI (%)	29.87	29.87
Profit allocated to NCI during the reporting period (\$'000)	3,481	3,984
Accumulated NCI at the end of reporting period (\$'000)	75,722	76,177
Dividends paid to NCI (\$'000)	438	373

(c) *Summarised financial information about subsidiary with material NCI*

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised consolidated statement of financial position

	TMC Life Sciences Berhad and its subsidiaries	
	2023	2022
	\$'000	\$'000
Current		
Assets	72,947	64,616
Liabilities	(28,538)	(28,453)
Net current assets	44,409	36,163
Non-current		
Assets	267,971	293,341
Liabilities	(62,670)	(68,042)
Net non-current assets	205,301	225,299
Net assets	249,710	261,462

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

16. Investment in subsidiaries (cont'd)

(c) Summarised financial information about subsidiary with material NCI (cont'd)

Summarised consolidated statement of comprehensive income

	TMC Life Sciences Berhad and its subsidiaries	
	2023	2022
	\$'000	\$'000
Revenue	94,950	78,813
Profit before taxation	12,296	10,432
Income tax (expense)/credit	(495)	2,959
Profit after tax, representing total comprehensive income	<u>11,801</u>	<u>13,391</u>

Other summarised information

	TMC Life Sciences Berhad and its subsidiaries	
	2023	2022
	\$'000	\$'000
Net cash flows from operating activities	<u>16,524</u>	<u>11,528</u>

Impairment assessment of investment in subsidiaries

During the financial year ended 30 June 2023, the Company carried out a review of the recoverable amounts of its investment in a subsidiary as there were indicators of impairment. An impairment loss of \$16,538,000 (2022: \$5,372,000), representing the write-down of this investment to its recoverable amount was recognised. The recoverable amount was determined based on the net asset value of the subsidiary which closely approximates the fair value less cost to sell of the key assets held by the subsidiary.

Assessment of recoverable amount of Sasteria Pte Ltd as a CGU involves judgement and estimates made by management on the cashflows forecast of underlying subsidiaries to derive value-in-use calculations. Key assumptions include terminal growth rates and pre-tax discount rate. However, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying amounts of the CGU to materially exceed its recoverable amount.

17. Investment in a joint venture

	Group	
	2023	2022
	\$'000	\$'000
Equity shares, at cost	685	—*
Share of results of joint venture	(493)	—*
	<u>192</u>	<u>—*</u>

* Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

17. Investment in a joint venture (cont'd)

The details of the joint venture company are as below:

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest	
			2023	2022
			%	%
Held through Thomson X Pte Ltd				
Hatch Health Pte Ltd ("HHPL") ⁽¹⁾	Singapore	Development of software and application	50	50

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

In 2022, HHPL was in a pre-operating stage and had not commenced commercial operations.

The summarised financial information in respect of the joint venture as at 30 June 2023 is as follows:

Summarised statement of financial position

	2023
	\$'000
Cash and cash equivalents	723
Other current assets	15
Current assets	<u>738</u>
Non-current assets	560
Total assets	<u>1,298</u>
Current liabilities	914
Non-current liabilities	–
Total liabilities	<u>914</u>
Net assets	<u>384</u>
Proportion of the Group ownership	50%
Carrying amount of the investment	<u>192</u>

Summarised statement of comprehensive income

	2023
	\$'000
Depreciation	(42)
Operating expenses	(944)
Loss before tax	<u>(986)</u>
Income tax expense	–
Loss after tax	<u>(986)</u>
Proportion of the Group ownership	50%
Group's share of results of a joint venture	<u>(493)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

18. Other investment

	Group	
	2023	2022
	\$'000	\$'000
Equity instrument designated at fair value through OCI		
<u>Non-listed equity investment</u>		
Whitecoat Global Holdings Pte Ltd	2,216	2,335

The Group holds 3.00% equity interest in this company. The Group has elected to measure this investment at FVOCI due to the Group's intention to hold the equity instrument for long-term appreciation. During the financial year ended 30 June 2023, a fair value change of \$119,000 (2022: \$975,000) has been recognised in other comprehensive income (Note 32(c)).

19. Derivative financial instruments

	2023		2022	
	Notional amount	Asset	Notional amount	Asset
	\$'000	\$'000	\$'000	\$'000
Group and Company				
Non-current:				
Interest rate swap	45,000	373	-	-

The Group uses interest rate swap contracts to manage the interest rate risk exposure arising from the bank loans with floating rates. The Group applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments.

20. Development property

	Group	
	2023	2022
	\$'000	\$'000
Cost		
At beginning of the year	148,100	151,710
Exchange differences	(12,283)	(3,610)
At end of the year	135,817	148,100
Accumulated impairment losses		
At beginning of the year	54,875	56,212
Exchange differences	(4,551)	(1,337)
At end of the year	50,324	54,875
Carrying amount	85,493	93,225

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

20. Development property (cont'd)

The development property held by the Group at the end of the financial year is as follows:

Description and location	Existing use	Tenure	Gross floor area	Interest %
Land under development in Malaysia's Iskandar Development Region	Residential	Freehold	494,426 sqm	100

21. Inventories

	Group	
	2023	2022
	\$'000	\$'000
Drugs and pharmaceutical products	6,326	5,584

Inventories amounting to \$43,780,000 (2022: \$40,534,000) were recognised as an expense in profit or loss during the financial year.

22. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables	35,357	37,428	–	–
Other receivables	19,675	15,172	862	120
Deposits	2,674	2,744	78	78
Prepaid operating expenses	1,466	1,215	12	12
Amounts due from subsidiaries (non-trade)	–	–	616,275	615,485
Tax recoverable	3,302	3,588	–	–
Total trade and other receivables	62,474	60,147	617,227	615,695
Less: Prepaid operating expenses	(1,466)	(1,215)	(12)	(12)
Less: Tax recoverable	(3,302)	(3,588)	–	–
Add: Cash and short-term deposits (Note 23)	286,591	161,591	207,597	84,256
Total financial assets carried at amortised cost	344,297	216,935	824,812	699,939

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

22. Trade and other receivables (cont'd)

Other receivables

Other receivables include patient billings made on behalf of doctors amounting to \$15,236,000 (2022: \$13,951,000). Other receivables are unsecured and non-interest bearing.

Related party balances

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

There are no trade and other receivables denominated in foreign currencies as at 30 June 2023 and 2022.

Expected credit losses ("ECLs")

As at 30 June 2023, the Group has gross trade receivables amounting to \$37,822,000 (2022: \$38,586,000). The aging analysis and ECLs for trade receivables are as follows:

	Group			
	2023		2022	
	Gross carrying amount	Loss allowance provision	Gross carrying amount	Loss allowance provision
	\$'000	\$'000	\$'000	\$'000
Current	23,867	77	28,725	42
Less than 30 days	4,863	58	4,991	30
30 days to 60 days	2,331	68	2,121	36
61 days to 90 days	1,933	57	840	24
More than 90 days	4,828	2,205	1,909	1,026
Total	<u>37,822</u>	<u>2,465</u>	<u>38,586</u>	<u>1,158</u>

The movement in the allowance for expected credit losses in respect of trade receivables computed based on lifetime ECL was as follows:

	Group	
	2023	2022
	\$'000	\$'000
<u>Movement in allowance accounts:</u>		
At beginning of the year	1,158	1,090
Charge for the year	1,404	193
Written back	(9)	(43)
Written off	(26)	(71)
Exchange differences	(62)	(11)
At end of the year	<u>2,465</u>	<u>1,158</u>

The Group wrote-off \$26,000 (2022: \$71,000) of trade receivables during the year as the Group does not expect to receive future cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

23. Cash and short-term deposits

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	78,018	60,643	6,777	8,006
Short-term deposits	208,573	100,948	200,820	76,250
Cash and short-term deposits	286,591	161,591	207,597	84,256

Cash at banks are non-interest bearing. Short-term deposits are made for varying periods of between 3 months to 6 months depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 30 June 2023 for the Group and the Company are 3.66% and 3.64% (2022: 0.97% and 0.46%) per annum respectively.

Pledged deposits of \$10,435,000 (2022: \$10,692,000) are pledged as security for the interest-bearing loans and borrowings as disclosed in Note 25.

The Group has no significant cash and short-term deposits denominated in foreign currencies as at 30 June 2023 and 30 June 2022.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2023	2022
	\$'000	\$'000
Cash and short-term deposits	286,591	161,591
Less: Pledged deposits	(10,435)	(10,692)
Cash and cash equivalents	276,156	150,899

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

24. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade payables	12,724	13,331	–	–
Other payables	25,837	26,129	4	96
Accrued operating expenses	41,955	42,512	8,422	8,642
GST payable	2,468	3,605	–	–
Deposits received	835	964	–	–
Total trade and other payables	83,819	86,541	8,426	8,738
Add: Interest-bearing loans and borrowings (Note 25)	747,758	629,100	660,272	550,754
Less: GST payable	(2,468)	(3,605)	–	–
Total financial liabilities carried at amortised cost	829,109	712,036	668,698	559,492

Trade and other payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days' terms.

Included in other payables are payables to doctors relating to patient billings made on behalf of doctors amounting to \$18,868,000 (2022: \$18,922,000). These payables are only settled when collections from patients have been received.

25. Interest-bearing loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current:				
Secured bank loans	12,129	2,679	7,500	–
Medium-term notes	–	225,000	–	225,000
	12,129	227,679	7,500	225,000
Non-current:				
Secured bank loans	440,857	226,801	358,000	151,134
Medium-term notes	294,772	174,620	294,772	174,620
	735,629	401,421	652,772	325,754
Total interest-bearing loans and borrowings	747,758	629,100	660,272	550,754

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

25. Interest-bearing loans and borrowings (cont'd)

Secured bank loans

Bank loan of the Company is denominated in SGD and bears interest at floating interest rate ranging from 3.33% to 5.57% (2022: 1.91% to 2.48%) per annum. The loan is secured by a charge over certain shares of the subsidiaries and cross guarantees provided by the Company and subsidiaries of the Company. The loans have maturity dates ranging from 2025 to 2027.

Bank loans of the subsidiaries amounting to \$87,486,000 (2022: \$78,346,000), are secured by a charge over certain shares and assets of the subsidiaries (Note 12, Note 14 and Note 16) and cross guarantees provided by the Company and subsidiaries of the Company. The effective interest rates of the loans range from 3.33% to 5.57% (2022: 1.91% to 3.26%) per annum. These loans are denominated in Malaysian Ringgit, except for bank loan amounting to \$25,000,000 (2022: \$13,000,000) which is denominated in SGD. As of 30 June 2023, these loans have maturity dates ranging from 2024 to 2030 (2022: 2023 to 2030).

Medium-term notes

The Company established a \$500 million multicurrency debt issuance programme ("MTN programme") on 28 June 2019. In July 2019, the Company issued the 3-year S\$225 million 4.8% notes due 2022 ("Series 1 Notes") which had been fully redeemed on 18 July 2022. In January 2020, the Company issued the 5-year S\$175 million 4.05% notes due January 2025 ("Series 2 Notes").

On 21 April 2023, the Company updated and upsized the MTN programme from \$500 million to \$1 billion. On 31 May 2023, the Company issued the 5-year S\$120 million 5.5% notes due 2028 ("Series 3 Tranche 1 Notes").

The interest is payable semi-annually. The Series 1 Notes and Series 2 Notes are secured by a charge over interest reserve accounts which are equal to 6 months' interest payable on the Series 1 Notes and Series 2 Notes.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	1 Jul 2022	Cash flows	Non-cash changes		30 Jun 2023
			Amortisation of financing fees	Foreign exchange movement	
	\$'000	\$'000	\$'000	\$'000	\$'000
Secured bank loans	229,480	228,530	492	(5,516)	452,986
Medium-term notes	399,620	(105,000)	152	–	294,772
Total	629,100	123,530	644	(5,516)	747,758

	1 Jul 2021	Cash flows	Non-cash changes		30 Jun 2022
			Amortisation of financing fees	Foreign exchange movement	
	\$'000	\$'000	\$'000	\$'000	\$'000
Secured bank loans	220,507	10,213	267	(1,507)	229,480
Medium-term notes	398,898	–	722	–	399,620
Total	619,405	10,213	989	(1,507)	629,100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

26. Lease liabilities

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At beginning of the year	13,756	11,670	530	764
Additions	8,188	3,722	–	–
Accretion of interest	567	437	17	23
Derecognition	(160)	(454)	–	–
Lease modifications	(95)	5,296	–	–
Payments	(7,139)	(6,882)	(260)	(257)
Lease remeasurement	5	–	6	–
Exchange differences	(88)	(33)	–	–
At end of the year	15,034	13,756	293	530
Current	6,556	5,309	269	246
Non-current	8,478	8,447	24	284
	15,034	13,756	293	530

The maturity analysis of lease liabilities is disclosed in Note 33(b). Modifications relate to change in lease terms for certain leases.

27. Deferred income tax

	Group		Group	
	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax (liabilities)/assets:				
Differences in depreciation for tax purposes	(9,739)	(7,098)	3,172	1,990
Fair value adjustments on acquisition of subsidiaries	(5,519)	(6,022)	(72)	–
Provisions	1,137	915	(272)	(172)
Investment tax allowances	7,393	5,771	(2,167)	(5,871)
	(6,728)	(6,434)		
Deferred tax expense/(credit)			661	(4,053)
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	605	919		
Deferred tax liabilities	(7,333)	(7,353)		
Deferred tax liabilities, net	(6,728)	(6,434)		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

27. Deferred income tax (cont'd)

Unrecognised capital allowances and tax losses

At the end of the reporting period, the Group has unutilised capital allowances and unabsorbed tax losses amounting to approximately \$371,000 (2022: \$920,000) and \$5,909,000 (2022: \$6,323,000) respectively that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these unutilised capital allowances and unabsorbed tax losses is subject to agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no income tax consequences (2022: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 36).

28. Provisions

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At beginning of the year	879	842	35	35
Arose during the financial year	115	39	–	–
Utilisation	(9)	–	–	–
Reversal	(109)	–	–	–
Exchange differences	(14)	(2)	–	–
At end of the year	862	879	35	35

This relates to restoration costs estimated to dismantle or remove plant and equipment or restore rented operating premises to their original condition arising from the return of the leases of rented operating premises to the landlords pursuant to lease agreements.

29. Share capital

	Group and Company			
	2023		2022	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning of the year	26,441,067	2,364,503	26,441,017	2,364,497
Shares issued on conversion of warrants	–	–	50	6
At end of the year	26,441,067	2,364,503	26,441,067	2,364,503

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

30. Other reserves

Merger reserve

This represents the difference between the consideration transferred and the share capital of the subsidiary under common control which was accounted for by applying the pooling of interest method.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Capital reserve

Capital reserve represents the premium paid or discounts on acquisition of non-controlling interests.

Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets until they are disposed of or impaired.

Share-based payment reserve

Share-based payment reserve represents the equity-settled Share Plan granted to employees (Note 8). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the Share Plan, and is reduced by the expiry of the Share Plan.

Hedging reserve

Hedging reserve represents the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges.

31. Commitments

(a) **Capital commitments**

Capital expenditure contracted for as at the end of the reporting year but not recognised in the financial statements is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Capital commitment in respect of property and equipment	12,897	26,629

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

31. Commitments (cont'd)

(b) *Lessor's lease commitments*

The Group leases out commercial space to non-related parties under non-cancellable operating leases. These leases have terms ranging between one to three years. All lease contracts include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Rental income recognised by the Group during the financial year is \$3,771,000 (2022: \$3,481,000).

Future minimum rentals receivable under non-cancellable operating leases at the end of the financial year is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Within one year	2,612	3,165
After one year but not more than five years	3,055	4,559
More than 5 years	1,491	1,788
	7,158	9,512

32. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Fair value of assets and liabilities (cont'd)

(b) *Assets measured at fair value*

The following table shows an analysis of the assets measured at fair value at the end of the reporting period:

		Group			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Carrying amount S\$'000
2023					
<u>Equity instrument designated at fair value through OCI:</u>					
Non-listed equity investment	18	–	–	2,216	2,216
<u>Derivatives designated at fair value through OCI:</u>					
Interest rate swap – cash flow hedge	19	–	373	–	373
		–	373	2,216	2,589
2022					
<u>Financial assets designated fair value through OCI:</u>					
Non-listed equity investment	18	–	–	2,335	2,335

(c) *Level 2 fair value measurements*

The interest rate swap contracts are classified within Level 2 as the fair values of these contracts are obtained from reputable financial institution by reference to current interest rates for contracts with similar maturity profiles.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The equity investment is not traded in an active market. The fair value of the Group's equity investment as at 30 June 2022 is estimated with reference to the recent subscription price of shares issued close to the end of the financial year. As the fair value of the equity investment is determined based on unobservable inputs, it is classified as a Level 3 measurement.

As at 30 June 2023, the fair value of the equity investment is estimated using option pricing method as there was no new shares issued by the investee during the financial year. The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Valuation techniques	Significant unobservable inputs	Value or range used
Recurring fair value measurements at FVOCI			
30 June 2023			
Non-listed equity investment	Option pricing method	Time to maturity	6 years
		Dividend yield	0%
		Equity volatility rate	63.8%

A significant increase/(decrease) in time to maturity would result in a significantly lower/(higher) fair value measurement. If the time to maturity increases or decreases by 3 years, the carrying amount of the non-listed equity investment will decrease or increase by approximately \$123,000 and \$162,000 respectively.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Other investment	
	2023	2022
	\$'000	\$'000
Group		
Opening balance	2,335	–
Addition	–	1,360
Changes in fair value	(119)	975
Closing balance	2,216	2,335

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(e) Assets not measured at fair value, for which fair value is disclosed

	Level 3	Fair value Total	Carrying amount
	\$'000	\$'000	\$'000
2023			
Assets			
Freehold land included in investment properties	90,094	90,094	90,094
2022			
Assets			
Freehold land included in investment properties	98,243	98,243	98,243

The fair value of the freehold land included in investment properties as at the end of the reporting year is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is determined by an independent professional valuer, using the direct comparison method. The direct comparison method involves the analysis and study of recent sales evidence of similar properties in comparable developments in the subject/comparable vicinities.

The following table shows the Group's valuation technique used in measuring the fair value of the freehold land included in investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<u>Direct Comparison Method</u> The approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to those reflective of the investment properties	Price per square foot: MYR 610 (2022: MYR 610)	Significant increases/decreases in price per square foot would result in a significantly higher/lower fair value measurement

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

33. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The directors review and agree on policies and procedures for the management of each of these risks. 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 and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these 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 arise primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within 180 days when they fall due, which are derived based on the Group's historical information.

To assess the risk of a default occurring on the asset, the Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Significant changes in the expected behaviour of the debtor, including changes in payment status; and
- Projected industry default rates.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payments.

The Group determined that its financial assets are credit-impaired when the debtor fails to make contractual payments more than 180 days past due.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity where applicable to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

33. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision also incorporates forward looking information such as the projected industry default rates over the next year.

Information regarding loss allowance movement and credit risk exposure on trade receivables are disclosed in Note 22.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

Except for the operations in Malaysia, there is no significant concentration of credit risk relating to trade receivables due to the Group's many varied customers. In Malaysia, the Group's concentration of credit risk relates to amounts owing by 10 (2022: 10) customers, which constitute approximately 21% (2022: 15%) of the Group's trade receivables at the end of the reporting period.

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 reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents and standby banking facilities deemed adequate by 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 and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2023				
Financial liabilities				
Trade and other payables	81,351	–	–	81,351
Interest-bearing loans and borrowings	50,411	811,711	14,668	876,790
Lease liabilities	7,505	9,580	–	17,085
Total undiscounted financial liabilities	139,267	821,291	14,668	975,226
2022				
Financial liabilities				
Trade and other payables	82,936	–	–	82,936
Interest-bearing loans and borrowings	241,364	406,895	25,093	673,352
Lease liabilities	5,739	8,865	–	14,604
Total undiscounted financial liabilities	330,039	415,760	25,093	770,892

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

33. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Company				
2023				
Financial liabilities				
Trade and other payables	8,426	–	–	8,426
Interest-bearing loans and borrowings	41,513	733,147	–	774,660
Lease liabilities	275	24	–	299
Total undiscounted financial liabilities	50,214	733,171	–	783,385
2022				
Financial liabilities				
Trade and other payables	8,738	–	–	8,738
Interest-bearing loans and borrowings	236,234	347,944	–	584,178
Lease liabilities	262	290	–	552
Total undiscounted financial liabilities	245,234	348,234	–	593,468

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from its interest-bearing loans and borrowings.

At the end of the reporting period, the interest rate profile of the Group's and the Company's interest-bearing loans and borrowings were as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Variable rate instruments				
Secured bank loans	452,345	228,502	365,500	151,134

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2022: 100) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been \$4,523,000 higher/lower (2022: \$2,285,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

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For the financial year ended 30 June 2023

34. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-à-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2023 and 30 June 2022.

The Group calculates the level of debt capital required to finance the working capital requirements using leverage/gearing ratio.

At the end of the reporting period, leverage ratios are as follows:

	2023	2022
Gross debt to total equity	1.3 x	1.0 x
Net debt to total equity	0.8 x	0.8 x

The Group assesses the level of debt capital used to finance capital investment in respect of the projected risk and returns of these investments using a number of traditional and modified investment and analytical models including discounted cash flows. It also assesses the use of debt capital to fund such investments relative to the impact on the Group's overall debt capital position and capital structure.

In order to manage its capital structure, the Group may issue debt of either a fixed or floating nature, arrange credit facilities, issue medium-term notes, issue new shares or convertible bonds and adjust dividend payments.

35. Segment information

For management purposes, the Group is organised into business units based on their products and services as follows:

(a) Hospital services

Hospital services comprise the provision of integrated medical healthcare facilities and services for primary, secondary and tertiary healthcare with focus on the areas of obstetrics and gynaecology and paediatric services, diagnostic imaging services, pharmacy, 24-hour outpatient services, laboratory and services provided by outpatient clinics at the hospital.

(b) Specialised services

The specialised services segment includes services provided by the fertility clinics, paediatric centres, cancer centre, cardiology centre, traditional chinese medicine, specialist skin centre, a pre-natal and clinical diagnostic laboratory and project-related services. It also includes a consumer business segment, comprising products and services.

(c) Investment holdings

Investment holdings and those relating to investment properties and development property.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

35. Segment information (cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
	\$'000	\$'000	\$'000	\$'000		\$'000
2023						
Revenue:						
External customers	186,301	169,063	405	–		355,769
Inter-segment revenue	–	2,080	–	(2,080)	A	–
Total revenue	<u>186,301</u>	<u>171,143</u>	<u>405</u>	<u>(2,080)</u>		<u>355,769</u>
Results:						
Finance income	905	113	2,930	–		3,948
Finance costs	(3,833)	(503)	(26,176)	–		(30,512)
Share of results of a joint venture	–	–	(493)	–		(493)
Depreciation and amortisation	(12,992)	(7,411)	(667)	–		(21,070)
Segment profit/(loss) before taxation	<u>39,086</u>	<u>46,460</u>	<u>(30,343)</u>	<u>–</u>		<u>55,203</u>
Assets:						
Additions to non-current assets	12,261	8,814	17	–	B	21,092
Investment in a joint venture	–	–	192	–		192
Segment assets	<u>1,010,806</u>	<u>42,548</u>	<u>390,519</u>	<u>–</u>		<u>1,443,873</u>
Segment liabilities	<u>149,380</u>	<u>32,391</u>	<u>669,344</u>	<u>–</u>		<u>851,115</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

35. Segment information (cont'd)

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
	\$'000	\$'000	\$'000	\$'000		\$'000
2022						
Revenue:						
External customers	162,516	170,900	290	–		333,706
Inter-segment revenue	–	1,492	15	(1,507)	A	–
Total revenue	<u>162,516</u>	<u>172,392</u>	<u>305</u>	<u>(1,507)</u>		<u>333,706</u>
Results:						
Finance income	586	78	324	–		988
Finance costs	(792)	(388)	(22,317)	–		(23,497)
Depreciation and amortisation	(9,805)	(7,449)	(676)	–		(17,930)
Segment profit/(loss) before taxation	<u>37,136</u>	<u>56,829</u>	<u>(24,667)</u>	<u>–</u>		<u>69,298</u>
Assets:						
Additions to non-current assets	25,316	4,288	2,624	–	B	32,228
Investment in a joint venture	–	–	–*	–		–*
Segment assets	<u>1,039,868</u>	<u>38,322</u>	<u>282,246</u>	<u>–</u>		<u>1,360,436</u>
Segment liabilities	<u>146,385</u>	<u>27,210</u>	<u>560,483</u>	<u>–</u>		<u>734,078</u>

* Amount less than \$1,000

Notes

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of additions to property and equipment, intangible assets, investment properties, right-of-use assets and other investment.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	260,414	254,602	595,957	594,623
Malaysia	95,355	79,104	410,941	449,773
	<u>355,769</u>	<u>333,706</u>	<u>1,006,898</u>	<u>1,044,396</u>

Non-current assets information presented above mainly consist of property and equipment, intangible assets, investment properties and right-of-use assets as presented in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

36. Dividends

	Group and Company	
	2023	2022
	\$'000	\$'000
Declared and paid during the financial year:		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2023: 0.115 cents (2022: 0.015 cents) per share	30,407	3,966
Proposed but not recognised as a liability as at the end of the financial year:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
- Final exempt (one-tier) dividend for 2023: 0.040 cents (2022: 0.115) per share	10,576	30,407

37. Subsequent events

- (a) On 12 July 2023, the Group entered into a sale and purchase agreement ("**SPA**") with Far East Medical HK Limited ("**FEMHK**") to acquire 100% of the issued charter capital of Far East Medical Vietnam Limited ("**FEMVN**") for a total consideration of S\$517.1 million, comprising an initial consideration of approximately S\$487.5 million and an earnout consideration of approximately S\$29.6 million. The acquisition will be funded by the Group's internal resources and external borrowings from financial institutions and debt capital markets. Completion of this acquisition is subject to the terms and conditions of the SPA.
- (b) On 21 July 2023, the Group launched a S\$30 million 5.5% notes due 2028 (to be consolidated and form a single series with the existing Series 3 Tranche 1 Notes) (the Series 3 Tranche 2 Notes and, together with the Series 3 Tranche 1 Notes, the "**Series 3 Notes**") pursuant to the MTN Programme.

38. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 28 August 2023.

STATISTICS OF SHAREHOLDINGS

As at 29 August 2023

No of Issued shares	-	26,441,066,807 shares
No of Treasury Shares Held	-	Nil
No of Subsidiary Holdings Held	-	Nil
Class of shares	-	Fully paid ordinary shares
Voting rights	-	1 vote per ordinary share

Shareholdings Held in Hands of Public

Based on information available to the Company as at 29 August 2023, 10.08% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	147	1.69	1,526	0.00
100 - 1,000	283	3.24	202,346	0.00
1,001 - 10,000	1,635	18.73	12,124,278	0.05
10,001 - 1,000,000	6,437	73.75	769,066,231	2.91
1,000,001 and above	226	2.59	25,659,672,426	97.04
	8,728	100.00	26,441,066,807	100.00

TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE) LIMITED	9,521,132,892	36.01
2	LIM ENG HOCK	6,833,333,334	25.84
3	DB NOMINEES (SINGAPORE) PTE LTD	5,162,070,000	19.52
4	UOB KAY HIAN PTE LTD	2,971,959,060	11.24
5	DBS NOMINEES PTE LTD	218,290,568	0.83
6	GARVILLE PTE LTD	111,930,588	0.42
7	CITIBANK NOMINEES SINGAPORE PTE LTD	87,945,049	0.33
8	PHILLIP SECURITIES PTE LTD	42,336,805	0.16
9	OCBC SECURITIES PRIVATE LTD	37,854,500	0.14
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	28,974,600	0.11
11	IFAST FINANCIAL PTE LTD	27,359,212	0.10
12	MAYBANK SECURITIES PTE. LTD.	19,092,000	0.07
13	UNITED OVERSEAS BANK NOMINEES PTE LTD	18,758,162	0.07
14	DBSN SERVICES PTE LTD	18,030,795	0.07
15	OCBC NOMINEES SINGAPORE PTE LTD	16,623,920	0.06
16	LIM AND TAN SECURITIES PTE LTD	14,202,300	0.05
17	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	11,900,000	0.05
18	LEE THENG KIAT	10,934,100	0.04
19	TIGER BROKERS (SINGAPORE) PTE. LTD.	10,863,300	0.04
20	GOH CHYE HEANG	10,050,000	0.04
		25,173,641,185	95.19

STATISTICS OF SHAREHOLDINGS

As at 29 August 2023

SUBSTANTIAL SHAREHOLDERS

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
Lim Eng Hock	6,833,333,334	25.84	16,912,190,193	63.96 ^(a)

^(a) Mr Lim Eng Hock is deemed interested in the shares registered in the name of Jovina Investments Limited, Bellton International Limited, Garville Pte Ltd and Meriton Capital Limited, by virtue of Section 4 of the Securities and Futures Act. Cap 289 and shares that are held through nominees.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of Thomson Medical Group Limited (the "**Company**") will be held at voco Orchard Singapore, 581 Orchard Road, Singapore 238883 on Monday, 9 October 2023 at 3.30 p.m. to transact the following businesses: -

ORDINARY BUSINESS

- | | | |
|----|--|---------------------|
| 1. | To receive and adopt the Directors' Statement and Audited Consolidated Financial Statements of the Company for the year ended 30 June 2023 together with the Auditor's report thereon. | Resolution 1 |
| 2. | To declare a one-tier tax exempt final dividend of 0.040 Singapore cents per share for the financial year ended 30 June 2023. | Resolution 2 |
| 3. | To re-elect Mr Lim Wee Kiat, a Director retiring pursuant to Article 105(2) of the Constitution of the Company.
<i>(Refer to explanatory note (i) provided)</i> | Resolution 3 |
| 4. | To re-elect Mr Wilson Sam, a Director retiring pursuant to Article 105(2) of the Constitution of the Company.
<i>(Refer to explanatory note (ii) provided)</i> | Resolution 4 |
| 5. | To re-elect Dr Lam Lee G, a Director retiring pursuant to Article 105(2) of the Constitution of the Company.
<i>(Refer to explanatory note (iii) provided)</i> | Resolution 5 |
| 6. | To re-elect Dr Heng Jun Li Melvin, a Director retiring pursuant to Article 106 of the Constitution of the Company.
<i>(Refer to explanatory note (iv) provided)</i> | Resolution 6 |
| 7. | To approve the payment of Directors' fee of up to S\$400,000 for the financial year ending 30 June 2024 (2023: S\$400,000). | Resolution 7 |
| 8. | To re-appoint Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 8 |

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

9. General Authority to Issue Shares.

(Refer to explanatory note (v) provided)

Resolution 9

That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”), the Directors be authorised and empowered to:

- (a) (i) issue ordinary shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (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) options, 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 the Directors may, in their absolute discretion, deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force and issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of which the aggregate number of Shares to be issued other than on pro rata basis to shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any);
- (ii) for the purpose of determining the aggregate number of the Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:
 - (1) new Shares arising from the conversion or exercise of any convertible securities;
 - (2) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in accordance with Part VIII of Chapter 8 of the Listing Manual; and
 - (3) any subsequent bonus issue, consolidation or subdivision of the Shares;

and adjustments in accordance with (1) or (2) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company;
- (d) in this Resolution, "subsidiary holdings" shall have the meaning ascribed to it in the Listing Manual; and
- (e) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company ("**AGM**") or the date by which the next AGM is required by law to be held, whichever is the earlier.

10. Authority to grant awards and issue Shares under the Share Grant Plan 2015.
(Refer to explanatory note (vi) provided)

Resolution 10

That the Board of Directors of the Company be and is hereby authorised to:

- (a) grant awards in accordance with the provisions of the Share Grant Plan 2015; and
- (b) allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the Share Grant Plan 2015,

provided that the total number of new Shares which may be issued or Shares which may be delivered pursuant to awards granted under the Share Grant Plan 2015, when added to:

- (i) the total number of new Shares issued and issuable or existing Shares delivered and deliverable in respect of awards under the Share Grant Plan 2015; and
- (ii) all Shares, options or awards granted under any other share scheme of the Company then in force,

shall not exceed fifteen per cent (15%) of the issued share capital of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time and that such authority shall, unless revoke or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier.

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
Seah Sin Yuen (Ms)

Company Secretaries
Singapore, 22 September 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes of the resolutions to be proposed at the AGM: –

(i) *Ordinary Resolution 3*

Mr Lim Wee Kiat will, upon being re-elected as a Director, continue in office as Executive Vice-Chairman. Detailed information on Mr Lim pursuant to Rule 720(6) of the Listing Manual can be found under "**Additional Information on Directors Seeking Re-election**" in the Annual Report 2023.

(ii) *Ordinary Resolution 4*

Mr Wilson Sam will, upon being re-elected as Director, continue in office as Executive Director and Group Chief Financial Officer. Detailed information on Mr Sam pursuant to Rule 720(6) of the Listing Manual can be found under "**Additional Information on Directors Seeking Re-election**" in the Annual Report 2023.

(iii) *Ordinary Resolution 5*

Dr Lam Lee G will, upon being re-elected as Director, continue in office as Independent Director and will remain as member of the Audit & Risk Committee. The Board of Directors considers him independent for the purposes of Rule 704(8) of the Listing Manual. Detailed information on Dr Lam pursuant to Rule 720(6) of the Listing Manual can be found under "**Additional Information on Directors Seeking Re-election**" in the Annual Report 2023.

(iv) *Ordinary Resolution 6*

Dr Heng Jun Li Melvin will, upon being re-elected as Director, continue in office as Executive Director and Group Chief Executive Officer. Detailed information on Dr Heng pursuant to Rule 720(6) of the Listing Manual can be found under "**Additional Information on Directors Seeking Re-election**" in the Annual Report 2023.

(v) *Ordinary Resolution 9* is to authorise the Directors of the Company from the date of the above Meeting until the next AGM to issue shares and convertible securities in the Company up to an amount not exceeding in total fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company. For issues of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any). This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

(vi) *Ordinary Resolution 10* is to empower the Board of Directors of the Company to offer and grant awards in accordance with the provisions of the Share Grant Plan 2015 and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the Share Grant Plan 2015.

The Committee administering the Share Grant Plan 2015 currently does not intend, in any given year, to grant the award under the Share Grant Plan 2015 and the options under the Option Scheme which would comprise more than 1.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time. However, if less than 1.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) is granted as the awards under the Share Grant Plan 2015 and the options under the Option Scheme in any given year, the balance may be used by the Company to make grants of the awards or the options in subsequent years.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

General

1. The Annual General Meeting ("**AGM**") will be held in a wholly physical format at voco Orchard Singapore, 581 Orchard Road, Singapore 238883 on Monday, 9 October 2023 at 3.30 p.m. for the purpose of considering and if thought fit, passing the resolutions set out in the Notice of AGM. **There will be no option to participate virtually.**
2. Printed copies of this Notice of AGM, accompanying Proxy Form and the Request Form for a printed copy of the Annual Report will be despatched by post to the members of the Company. The Annual Report will not be despatched to the members of the Company. All documents (the Annual Report, the Proxy Form, and this Notice of AGM) have been, or will be, published on the SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website at https://www.thomsonmedical.com/event_calendar/agma_2023.

Register in person to attend the AGM

3. Members and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Every attendee is required to bring his or her NRIC or passport to enable the Company to verify his or her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

Submission of proxies

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's Proxy Form appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. The number and class of shares in relation to each proxy shall be specified in the Proxy Form.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.
6. The Proxy Form must be submitted to the Company in the following manner:
 - (a) mail or lodged with M & C Services Private Limited, the Company's Share Registrar, at 112 Robinson Road #05-01 Singapore 068902; or
 - (b) email to the Company's Share Registrar at gpb@mncsingapore.com
 by Friday, 6 October 2023, 3.30 p.m. Singapore time (being 72 hours before the time appointed for the holding of the AGM).
A member who wishes to submit a Proxy Form must complete and sign it before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above.
7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
8. In the case of members whose shares are entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001 of Singapore), the Company may reject the form of proxy submitted if such members' names do not appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM.
9. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her votes at the Annual General Meeting in person if appointed as proxy of his/her CPF Agent Banks and/or SRS Operators. If the CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting to act as their proxy.

Submission of questions

10. Members, CPF Investors and SRS Investors may submit substantial and relevant questions related to the resolutions to be tabled at the AGM ahead of the AGM by email to agm@thomsonmedical.com by 5.00 p.m. on 29 September 2023.
11. The Company will endeavour to address all substantial and relevant questions if received by the prescribed deadline above and post the answers on SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website prior to the AGM. For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised at the AGM. Where substantially similar questions are received, they will be consolidated and not all questions may be individually addressed.

Minutes of Annual General Meeting

12. The minutes of the AGM together with the responses to the substantial and relevant questions by the shareholders not already answered and announced, will be posted on the SGX website and the Company's website within one month after the date of the AGM.

PERSONAL DATA PRIVACY

By submitting the Proxy Form, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, Mr Lim Wee Kiat, Mr Wilson Sam, Dr Lam Lee G and Dr Heng Jun Li Melvin are the Directors seeking re-election at the 23rd Annual General Meeting. The information shall be read in conjunction with their respective biographies on page 12 to 19 of the Annual Report 2023.

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
Date of appointment	15 March 2019	15 March 2019	2 May 2019	1 December 2022
Date of last re-appointment (if applicable)	22 October 2021	22 October 2021	23 October 2020	N.A.
Age	30	47	64	40
Country of principal residence	Singapore	Singapore	Hong Kong	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board has considered the Nominating and Remuneration Committee ("NRC")'s recommendation and assessments of Mr Lim's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. Mr Lim has abstained from the deliberations of the Board pertaining to his re-election.</p> <p>Mr Lim will, upon re-election, continue to serve as the Executive Vice-Chairman.</p>	<p>The Board has considered the Nominating and Remuneration Committee ("NRC")'s recommendation and assessments of Mr Sam's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. Mr Sam has abstained from the deliberations of the Board pertaining to his re-election.</p> <p>Mr Sam will, upon re-election, continue to serve as the Executive Director and the Group Chief Financial Officer.</p>	<p>The Board has considered the Nominating and Remuneration Committee ("NRC")'s recommendation and assessments of Dr Lam's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. Dr Lam has abstained from the deliberations of the Board pertaining to his re-election.</p> <p>Dr Lam is considered an Independent Director and will, upon re-election, continue to serve as the Independent Director and as a member of the Audit & Risk Committee ("ARC").</p>	<p>The Board has considered the Nominating and Remuneration Committee ("NRC")'s recommendation and assessments of Dr Heng's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. Dr Heng has abstained from the deliberations of the Board pertaining to his re-election.</p> <p>Dr Heng will, upon re-election, continue to serve as the Executive Director and the Group Chief Executive Officer.</p>
Whether appointment is executive, if so, the area of responsibility	<p>Executive</p> <p>Responsible for the overall growth strategies for the Group and also works with the Board to grow the Group's business through mergers and acquisitions, particularly for core hospital services in fast-growing economies in Southeast Asia.</p>	<p>Executive</p> <p>Responsible for providing leadership to the Group's financial and management reporting, corporate finance, treasury, investor relations and corporate and regulatory compliance of the Group.</p>	<p>Non-Executive</p>	<p>Executive</p> <p>Leads and manages the Group and works actively with the Board and Management to set the overall strategic direction focused on driving business operations and growth of the Group.</p>
Job Title (e.g. Lead ID, AC Chairman, AC member, etc.)	Executive Vice-Chairman	Executive Director and the Group Chief Financial Officer	Member of Audit and Risk Committee	Executive Director and the Group Chief Executive Officer

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
Professional qualifications	<ul style="list-style-type: none"> Bachelor of Science in Psychology, University of New South Wales Australia 	<ul style="list-style-type: none"> Bachelor of Business Studies (Honours), Nanyang Technological University Chartered Financial Analyst 	<ul style="list-style-type: none"> Bachelor of Sciences and Mathematics, The University of Ottawa Master of Systems Science, The University of Ottawa Master of Business Administration, The University of Ottawa Postgraduate Diploma in Public Administration, Carleton University Master of Public Administration, The University of Hong Kong Doctor of Philosophy, The University of Hong Kong Bachelor of Laws (Honours), Manchester Metropolitan University Postgraduate Diploma in English and Hong Kong Law, Manchester Metropolitan University Master of Laws, The University of Wolverhampton Certificate in Professional Accountancy, The Chinese University of Hong Kong Postgraduate Certificate in Laws, City University of Hong Kong Solicitor, High Court of Hong Kong Honorary Fellow, CPA Australia Hong Kong Fellow, Hong Kong Institute of Directors Fellow, Hong Kong Institute of Arbitrators Fellow, CMA Australia Honorary Fellow, Hong Kong Institute of Facility Management Accredited Mediator, The Centre of Effective Dispute Resolution ('CEDR') Honorary Fellow, The University of Hong Kong School of Professional and Continuing Education ('HKU SPACE') Distinguished Fellow, The Hong Kong Innovative Technology Development Association 	<ul style="list-style-type: none"> Bachelor of Medicine and Bachelor of Surgery ('MBBS'), University of London, St George's Hospital Graduate Diploma Occupational Medicine, National University of Singapore Masters of Business Administration, Frankfurt School of Finance & Management

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
Working experience and occupation(s) during the past 10 years	<p>Sep 2022 to present Executive Vice-Chairman, Thomson Medical Group Limited</p> <p>Jan 2022 to Sep 2022 Chief Executive Officer, Thomson X Pte Ltd</p> <p>2017 to 2020 Vice President, Investments, Kestrel Capital Pte Ltd</p>	<p>Mar 2019 to present Executive Director and Group Chief Financial Officer, Thomson Medical Group Limited</p> <p>2014 to Feb 2019 Senior Vice President, Investments, Kestrel Capital Pte Ltd</p> <p>2010 to 2013 Vice President, Investments, Rowsley Limited</p>	<p>Jan 2022 to present Co-Chairman, Hong Kong Aerospace Technology Group Limited</p> <p>Jun 2021 to May 2022 Senior Advisor, Macquarie Group Asia</p> <p>Jul 2020 to May 2021 Non-Executive Chairman - Greater China and ASEAN Region, Macquarie Infrastructure and Real Assets</p> <p>May 2017 to Jun 2020 Non-Executive Chairman - Hong Kong and ASEAN Region and Chief Adviser - Asia, Macquarie Infrastructure and Real Assets</p> <p>May 2015 to Apr 2017 Chairman - ASEAN Region and Senior Adviser - Asia, Macquarie Infrastructure and Real Assets</p> <p>May 2007 to Mar 2015 Chairman - Indochina, Myanmar and Thailand and Senior Adviser - Asia (and formerly Chairman - Hong Kong), Macquarie Capital</p>	<p>Dec 2022 to present Executive Director and Group Chief Executive Officer, Thomson Medical Group Limited</p> <p>Jan 2021 to 31 Oct 2022 Chief Executive Officer, Gleneagles Hospital, IHH Healthcare</p> <p>Jul 2019 to Dec 2020 Chief Operating Officer, Gleneagles Hospital, IHH Healthcare</p> <p>Sep 2017 to Jun 2019 AVP, Operations, Gleneagles Hospital, IHH Healthcare</p> <p>Jul 2018 to present Co-Founder & Medical Advisor, Mesh Bio Pte Ltd</p> <p>Aug 2016 to Jan 2018 Medical Advisor, Ministry of Health, Singapore</p> <p>Jun 2016 to Dec 2018 Investor & Medical Advisor, Global Health Byte Holdings Pte Ltd (UNO Technologies Pte Ltd)</p> <p>Aug 2014 to Sep 2017 Equity Partner, OneCare Medical Pte Ltd</p> <p>Jan 2013 to Jun 2017 Co-Founder, Global Medical Concierge Pte Ltd</p> <p>Jan 2013 to Mar 2015 Medical Doctor, Radiology, Tan Tock Seng Hospital</p> <p>Jun 2009 to Aug 2011 Medical Doctor, National Health Service (United Kingdom)</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
Shareholding interest in the listed issuer and its subsidiaries	Nil	<p>7,567,100^(a) shares granted under Share Grant Plan 2015*</p> <p>*This refers to the Company's share incentive scheme which was approved by shareholders at the Company's extraordinary general meeting held on 29 April 2015.</p> <p>^(a) This consists of (i) 1,081,000 shares, the grant of which are subject to time-based vesting conditions (the "Time-based Awards"), and (ii) 6,486,100 shares, the grant of which are subject to performance conditions (the "Performance-related Awards"). The Shares in respect of the Time-based Awards will vest on 8 March 2026. The Shares in respect of the Performance-related Awards will vest on 31 August 2025, but the actual number of Shares to be released on the vesting date in respect of the Performance-related Awards could range from 0 to 1.5 times of the total number of Shares comprised in the Performance-related Awards depending on the level of achievement of performance targets set over a 3-year performance period, and other terms and conditions being satisfied.</p>	Nil	<p>10,278,500^(b) shares granted under Share Grant Plan 2015*</p> <p>*This refers to the Company's share incentive scheme which was approved by shareholders at the Company's extraordinary general meeting held on 29 April 2015.</p> <p>^(b) This consists of (i) 1,468,400 shares, the grant of which are subject to time-based vesting conditions (the "Time-based Awards"), and (ii) 8,810,100 shares, the grant of which are subject to performance conditions (the "Performance-related Awards"). The Shares in respect of the Time-based Awards will vest on 8 March 2026. The Shares in respect of the Performance-related Awards will vest on 31 August 2025, but the actual number of Shares to be released on the vesting date in respect of the Performance-related Awards could range from 0 to 1.5 times of the total number of Shares comprised in the Performance-related Awards depending on the level of achievement of performance targets set over a 3-year performance period, and other terms and conditions being satisfied.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuers and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Mr Lim Wee Kiat is the son of the controlling shareholder, Mr Lim Eng Hock	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes	Yes	Yes
Other principal commitments including directorships				
Past (for the last 5 years)	<u>Directorships</u> <ul style="list-style-type: none"> Catpital Private Limited 	<u>Directorships</u> <ul style="list-style-type: none"> Catpital Private Limited Renewable Metal Resources Pte Ltd TI Health Pte Ltd TMC Life Sciences Berhad VB2 Property Sdn Bhd 	<u>Directorships</u> <ul style="list-style-type: none"> Aurum Pacific (China) Group Limited Beverly JCG Ltd. China Shandong Hi-Speed Financial Group Limited Glorious Sun Enterprises Limited Green Leader Holdings Group Limited Hsin Chong Group Holdings Limited Huarong Investment Stock Corporation Limited National Arts Entertainment and Culture Group Limited Sunwah International Limited Tianda Pharmaceuticals Limited TMC Life Sciences Berhad Top Global Limited 	<u>Directorships</u> <ul style="list-style-type: none"> Eracen Pte Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
Present	<p><u>Directorships</u></p> <p>Non-listed entity</p> <ul style="list-style-type: none"> • CO92 Foundation Limited • FVH Singapore Pte Ltd • Grvty Media Pte Ltd • Hatch Health Pte Ltd • Kestrel360 Pte Ltd • Kestrel Investments Pte Ltd • Klouder Limited • Mint Media Sports Pte Ltd • RSP Architects Planners & Engineers (Pte) Ltd • RSP Holdings Pte Ltd • RSP TopCo Pte Ltd • Sasteria (M) Pte Ltd • Sasteria Pte Ltd • Sasteria (VN) Pte Ltd • SelectStart Pte Ltd • Singapore Esports Association (Vice President and Board member) • SL8 Pte Ltd • Squire Mech Pte Ltd • Thomson X Pte Ltd • Towerhill Pte Ltd • Valencia Club De Futbol, S.A.D. • Zuju GamePlay Pte Ltd • ZujuGP Pte Ltd 	<p><u>Directorships</u></p> <p>Listed entity</p> <ul style="list-style-type: none"> • Secura Group Limited (Non-Independent Non-Executive Director) <p>Non-listed entity</p> <ul style="list-style-type: none"> • Adifore Finance Ltd • Arnel Services S.A • FVH Singapore Pte Ltd • Grvty Media Pte Ltd • Hatch Health Pte Ltd • Klouder Limited • Mint Media Sports Limited • Mint Media Sports Pte Ltd • PCC Products Pte Ltd • PT Thomson Medical (Commissioner) • Sasteria (M) Pte Ltd • Sasteria Pte Ltd • Sasteria (VN) Pte Ltd • Skies VB Sdn Bhd • Smartparents Pte Ltd • Thomson International Health Services Pte Ltd • Thomson Kids Pte Ltd • Thomson Medical Pte Ltd • Thomson Paediatric Centre Pte Ltd • Thomson Specialists Pte Ltd • Thomson Women Cancer Centre Pte Ltd • Thomson Women's Clinic Holdings Pte Ltd • Thomson X Pte Ltd • Vantage Bay JB Sdn Bhd • Zuju Gameplay Pte Ltd • ZujuGP Pte Ltd 	<p><u>Directorships</u></p> <p>Listed entity</p> <ul style="list-style-type: none"> • Alset International Limited • Asia-Pacific Strategic Investments Limited • AustChina Holdings Limited • China LNG Group Limited • CSI Properties Limited • Elife Holdings Limited • Greenland Hong Kong Holdings Limited • Haitong Securities Company Limited • Hang Pin Living Technology Company Limited • Hong Kong Aerospace Technology Group Limited • Huarong International Financial Holdings Limited • Jade Road Investments Limited • Kidsland International Holdings Limited • Mei Ah Entertainment Group Limited • Mingfa Group (International) Company Limited • New Huo Technology Holdings Limited • RENHENG Enterprise Holdings Limited • Sunwah Kingsway Capital Holdings Limited • Vongroup Limited <p><u>Principal commitments</u></p> <ul style="list-style-type: none"> • Pacific Basin Economic Council Limited* • United Nations Economic and Social Commission for Asia and the Pacific ("UNESCAP") Sustainable Business Network ("ESBN")* <p>*voluntary/pro-bono/ community roles</p>	<p><u>Directorships</u></p> <p>Listed entity</p> <ul style="list-style-type: none"> • TMC Life Sciences Berhad (Non-Independent Non-Executive Director) <p>Non-listed entity</p> <ul style="list-style-type: none"> • Astrid Park Capital Pte Ltd • FVH Singapore Pte Ltd • Mesh Bio Pte Ltd • PCC Products Pte Ltd • Sasteria (M) Pte Ltd • Sasteria Pte Ltd • Sasteria (VN) Pte Ltd • Skies VB Sdn Bhd • Smartparents Pte Ltd • Thomson International Health Services Pte Ltd • Thomson Kids Pte Ltd • Thomson Medical Pte Ltd • Thomson Paediatric Centre Pte Ltd • Thomson Specialists Pte Ltd • Thomson Women Cancer Centre Pte Ltd • Thomson Women's Clinic Holdings Pte Ltd • Thomson X Pte Ltd • Vantage Bay JB Sdn Bhd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
Information required pursuant to Listing Rule 704(7)				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was 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 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was 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 2 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?	No	No	<p>Yes</p> <p>Ruifeng Petroleum Chemical Holdings Limited ("Ruifeng Petroleum")</p> <p>During the period between July 2014 and March 2015, Dr Lam served as an independent non-executive director of Ruifeng Petroleum, a company incorporated in the Cayman Islands, the shares of which were listed on the Stock Exchange of Hong Kong and delisted on 6 February 2017.</p> <p>Ruifeng Petroleum was previously engaged in the petrochemical business. A winding-up petition was served on Ruifeng Petroleum on 12 August 2015 due to failure to pay a judgment debt relating to an outstanding amount of a promissory note issued by Ruifeng Petroleum in 2011 (3 years before Dr Lam's appointment as an independent non-executive director). On 16 November 2015, Ruifeng Petroleum was wound up by the High Court of Hong Kong.</p>	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
			<p>Joining the board of directors as a new independent non-executive director during the restructuring period of Ruifeng Petroleum, Dr Lam had no management role in Ruifeng Petroleum and was not involved in the issuance of the above-mentioned promissory note. Ruifeng Petroleum was solvent when Dr Lam was an independent non-executive director, and since the delisting of Ruifeng Petroleum's shares from the Stock Exchange of Hong Kong, no claims have been made against Dr Lam, and Dr Lam is not aware of any threatened or potential claims against him and there are no outstanding claims and/or liabilities against Dr Lam as a result of Ruifeng Petroleum's dissolution.</p> <p>Hsin Chong Group Holdings Limited ("Hsin Chong")</p> <p>During the period between 17 May 2018 and 27 September 2019, Dr Lam served as an independent non-executive director of Hsin Chong, a company incorporated in Bermuda, the shares of which were listed on the Stock Exchange of Hong Kong.</p> <p>Hsin Chong defaulted on its US\$150 million 8.5% USD bonds (launched on 14 January 2016) due on 22 January 2019. Hsin Chong filed for provisional liquidation on 17 January 2019, and on 20 January 2019, RSM Corporate Advisory (Hong Kong) Limited and KRyS & Associates (Bermuda) Ltd were appointed by the Supreme Court of Bermuda Commercial Court as joint and several provisional liquidators of Hsin Chong. The filing was aimed at safeguarding Hsin Chong's assets and preventing seizure by creditors as Hsin Chong was attempting to negotiate a deal with</p>	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
			<p>one of the potential "white knight" groups to restructure its debts caused by Hsin Chong's earlier rapid expansion in mainland China. Such expansion projects dried up Hsin Chong's liquidity and led Hsin Chong to incur significant debts.</p> <p>Joining the board of directors as an independent non-executive director during the restructuring period of Hsin Chong, Dr Lam had no management role in Hsin Chong and was not involved in the creation of the above-mentioned bonds and debts. Nine (9) months after the joint and several provisional liquidators of Hsin Chong were appointed, all independent non-executive directors including Dr Lam resigned from the board of directors of Hsin Chong on 27 September 2019. No claims have been made against Dr Lam since his resignation as an independent non-executive director of Hsin Chong and he is not aware of any claims against him as a result of Hsin Chong's liquidation.</p> <p>National Arts Group Holdings Limited ("National Arts")</p> <p>During the period between June 2017 and July 2022, Dr Lam served as a non-executive director of National Arts Group Holdings Limited ("National Arts"), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Stock Exchange of Hong Kong. National Arts had been seeking various ways to sustain its operation and business. In June 2019, it started the financial restructuring which was completed in June 2020, and it continued trying to diversify and develop new businesses in 2020. In early 2021, National Arts was able to reduce its operating costs and start developing new businesses; however, due to the COVID-19</p>	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
			<p>pandemic, several transactions/projects were being terminated. In early 2022, with the fifth wave of COVID-19 breaking out in Hong Kong, National Arts implemented work-from-home measures and the change of working environment delayed business development activities and significantly impacted the business operation. In mid-2022, the COVID-19 pandemic also widely broke out in China and some operations were thus temporarily suspended due to the implementation of pandemic preventions and restrictions. Despite its efforts to maintain the operation and business in an uncertain and negative market environment, National Arts was still not able to generate and/or obtain sufficient financial resources to maintain its operation and fully repay its debts given the continuing economy downturn since 2019. On 28 June 2023, National Arts was ordered to be wound up by the High Court of Hong Kong in HCCW 398/2022 and the Official Receiver was appointed as the Provisional Liquidator of National Arts. As a non-executive director, Dr Lam had no management role in National Arts, and no claims have been made against him since his resignation as a non-executive director of National Arts and he is not aware of any claims against him as a result of National Arts' winding-up.</p>	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he 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?	No	No	No	No
(e) Whether he 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?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been 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, or he has 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?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he 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?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—				
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
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; or	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim Wee Kiat	Mr Wilson Sam	Dr Lam Lee G	Dr Heng Jun Li Melvin
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	No	No	No	No
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 that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
Disclosure applicable to the appointment of Director only.				
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.	N.A.

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PROXY FORM

THOMSON MEDICAL GROUP LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 199908381D

IMPORTANT

1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967). Such investors should approach their relevant intermediary as soon as possible to specify their voting instructions.

PERSONAL DATA PRIVACY

2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 22 September 2023.

I/We _____ (Name)
of _____ (Address)

being a *member/members of Thomson Medical Group Limited (the "Company") hereby appoint: -

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy (%)
*and/or (delete as appropriate)			

or failing him/her the Chairman of the Meeting as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at voco Orchard Singapore, 581 Orchard Road, Singapore 238883 on Monday, 9 October 2023 at 3.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided.

No.	Ordinary Resolutions	No. of Votes or to indicate with a tick [✓] ¹		
		For	Against	Abstain
	Ordinary Business			
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2023			
2.	To declare a one-tier tax exempt final dividend			
3.	To re-elect Mr Lim Wee Kiat as Director			
4.	To re-elect Mr Wilson Sam as Director			
5.	To re-elect Dr Lam Lee G as Director			
6.	To re-elect Dr Heng Jun Li Melvin as Director			
7.	To approve the payment of Directors' fees			
8.	To re-appoint Ernst & Young LLP as Auditors of the Company			
	Special Business			
9.	To authorise Directors to issue and allot shares pursuant to Section 161 of the Companies Act 1967			
10.	To authorise the grant of awards and issue shares under the Share Grant Plan 2015			

¹All resolutions would be put to vote by poll in accordance with the listing rules of Singapore Exchange Securities Trading Limited. A tick within the box provided would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution.

Dated this _____ day of _____ 2023

Total Number of Shares Held

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member appoints 2 proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in Proxy Form.
2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. The number of shares in relation to each proxy shall be specified in the form of proxy.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 (the "Companies Act").
3. A proxy need not be a member of the Company.
4. The Proxy Form must be submitted to the Company in the following manner:
 - (a) mail or lodged with M & C Services Private Limited, the Company's Share Registrar, at 112 Robinson Road #05-01 Singapore 068902; or
 - (b) email to the Company's Share Registrar at gpb@mncsingapore.comby Friday, 6 October 2023, 3.30 p.m. Singapore time (being 72 hours before the time appointed for the holding of the AGM).
A member who wishes to submit a Proxy Form must complete and sign it before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above.
5. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. In the case of members whose shares are entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001 of Singapore), the Company may reject the form of proxy submitted if such

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members' names do not appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM.

7. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her votes at the Annual General Meeting in person if appointed as proxy of his/her CPF Agent Banks and/or SRS Operators. If the CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting to act as their proxy.
8. Completion and return of this Proxy Form shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy/proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with its Constitution and Section 179 of the Companies Act.
10. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member of the Company.
11. Personal data privacy: By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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C/O M&C SERVICES PRIVATE LIMITED
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SINGAPORE 068902

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Ng Ser Miang
Chairman, Non-Executive And
Independent Director

Mr Lim Wee Kiat
Executive Vice-Chairman

Dr Heng Jun Li Melvin
Executive Director And Group
Chief Executive Officer

Mr Wilson Sam
Executive Director and Group
Chief Financial Officer

**Ms Wan Nadiyah Binti Wan
Mohd Abdullah Yaakob**
Executive Director And Group
Chief Executive Officer – TMC
Life Sciences Berhad

Mr Ong Pang Liang
Independent Director

Dr Lam Lee G
Independent Director

Ms Christina Teo Tze Wei
Independent Director

Ms June Leong Lai Ling
Independent Director

AUDIT AND RISK COMMITTEE

Mr Ong Pang Liang
Chairman

Dr Lam Lee G
Member

Ms June Leong Lai Ling
Member

NOMINATING AND REMUNERATION COMMITTEE

Mr Ng Ser Miang
Chairman

Mr Ong Pang Liang
Member

Ms Christina Teo Tze Wei
Member

COMPANY SECRETARIES

Ms Foo Soon Soo

Ms Seah Sin Yuen

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

INDEPENDENT AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Ms Tan Peck Yen
Partner-In-Charge
(Appointed In FY2021)

PRINCIPAL BANKERS

Malayan Banking Berhad

Standard Chartered Bank

REGISTERED OFFICE

101 Thomson Road #20-04/05
United Square Singapore 307591

Tel : (65) 6331 0188
Fax : (65) 6331 0180
Email : ir@thomsonmedical.com
Website : www.thomsonmedical.com



(Reg. No 199908381D)

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