

Celebrating Life



**STAYING RESILIENT
AND FORGING AHEAD**

ANNUAL REPORT 2021

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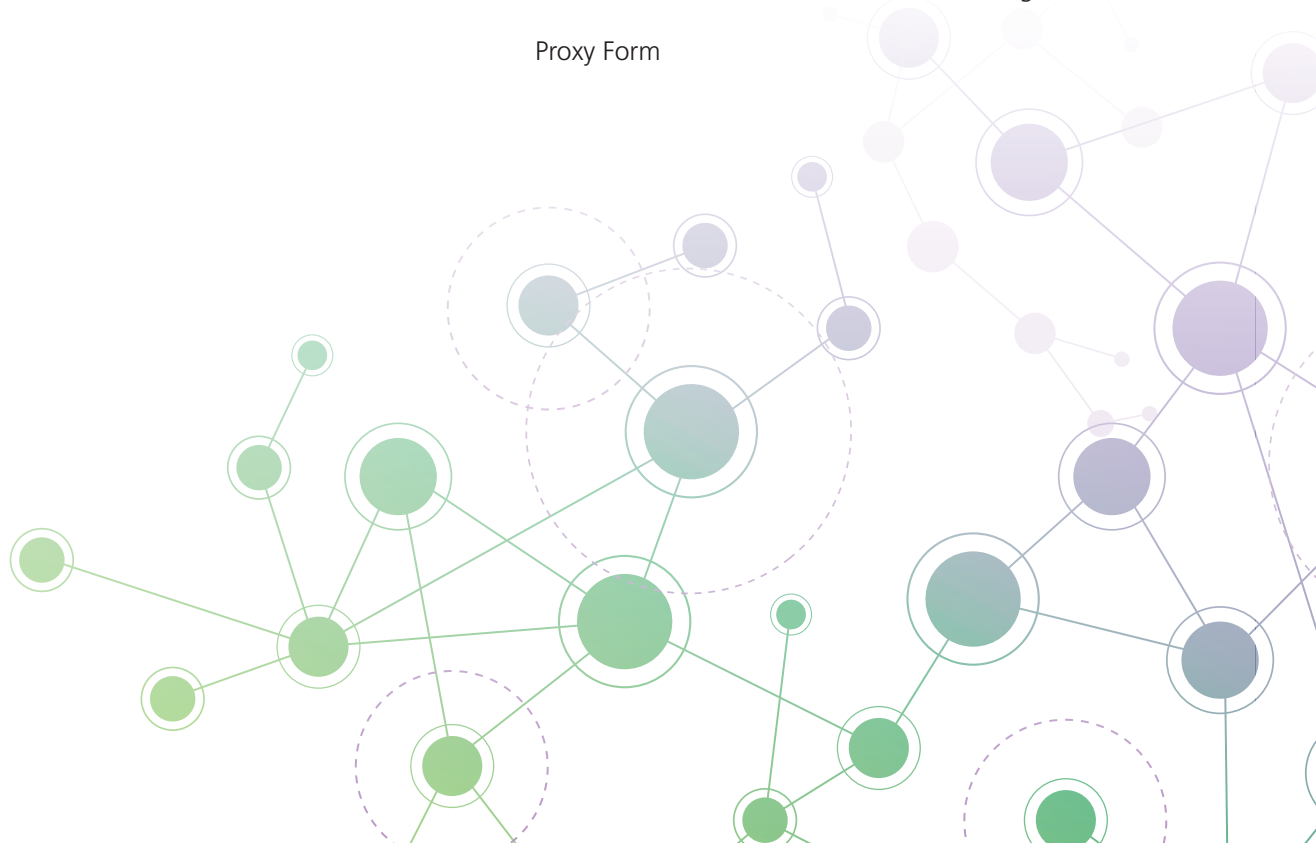
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OUR VISION

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

I.C.A.R.E

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

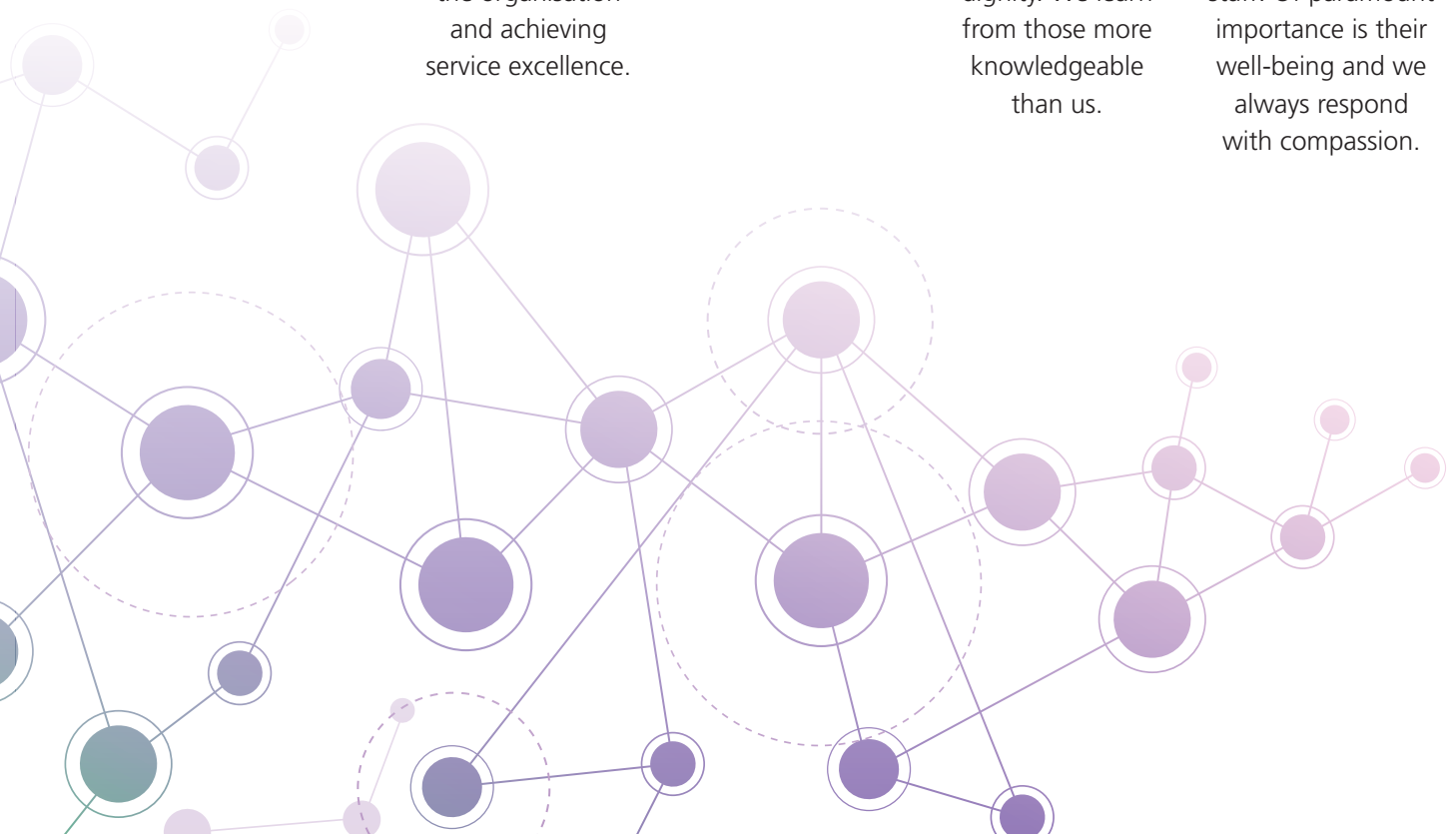
We take ownership and responsibility for our actions.

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 always respond with compassion.



CORPORATE PROFILE

MALAYSIA

TMC Life Sciences Berhad

\$66M
FY21 Revenue

535 Beds

6 Fertility centres

Penang

Ipoh

Kepong

Kota Damansara

Puchong



**Thomson Hospital
Kota Damansara**

Current

- 205 Beds
- 6 Fertility Centres



New expansion wing

Grow to 535 Beds



Under planning

- 500 Beds
- 400 Medical Suites

Johor Bahru



**Future Thomson
Iskandar Medical Hub**



**Future Vantage Bay
Healthcare City**

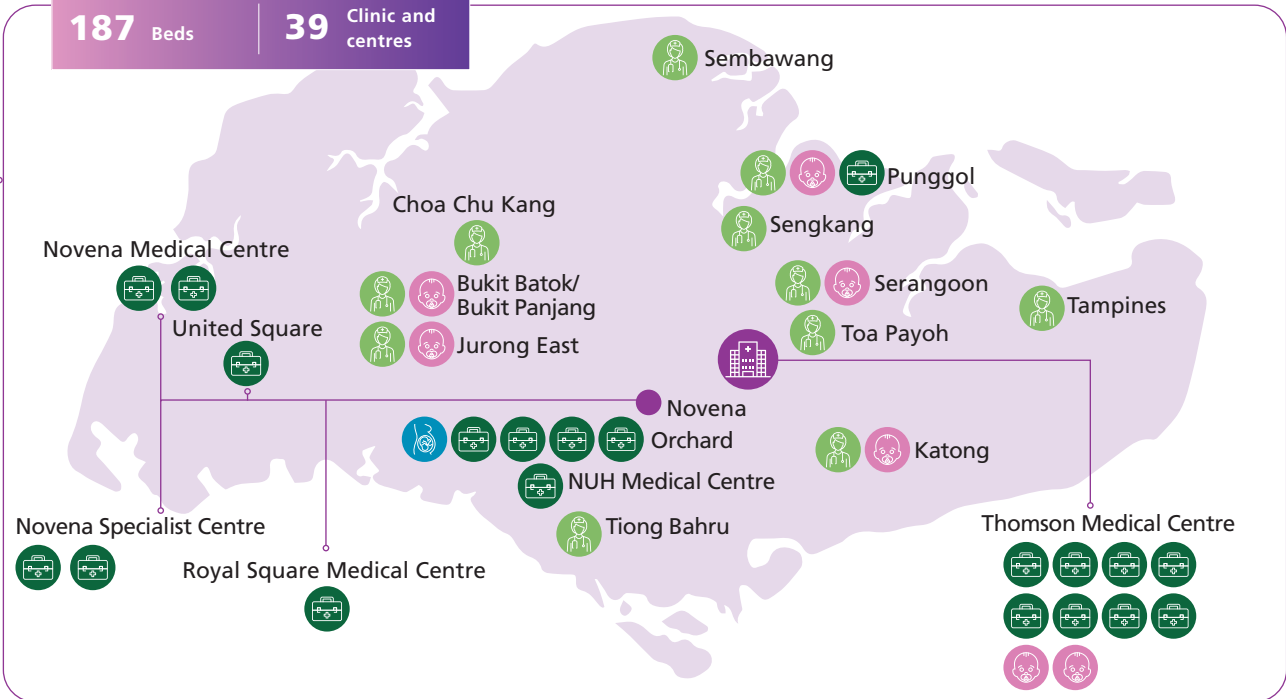
Legend

- Hospital
- Women's Clinic
- Paediatric Clinic
- Fertility Centre
- Other Clinics and Centres

SINGAPORE

Thomson Medical Pte Ltd **S\$174M**
FY21 Revenue

187 Beds | **39** Clinic and centres



Listed on the Mainboard of the Singapore Exchange, Thomson Medical Group Limited (SGX: A50) is one of the leading listed healthcare players in the South-East Asian region with operations in Singapore and Malaysia.

Established in 1979, the Group's Thomson Medical Pte Ltd is one of the largest private providers of healthcare services for women and children in Singapore. It owns and operates the iconic Thomson Medical Centre and a network of specialist medical clinics and facilities providing outpatient women and children healthcare services and service offerings in diagnostic imaging, health screening, fertility, breast and gynaecological oncology, dentistry, specialist dermatology, traditional Chinese medicine, musculoskeletal and sports medicine, and medical aesthetics, counselling and specialised learning for children with learning difficulties.

The Group's operations in Malaysia under TMC Life Sciences Berhad is a multi-disciplinary healthcare company listed on Bursa Malaysia. It operates Thomson Hospital Kota Damansara, a tertiary hospital located in Kota Damansara, and the award-winning TMC Fertility Centre which is the industry leader in assisted reproduction in Malaysia. It also owns the proposed Thomson Iskandar Medical Hub, in Johor Bahru, Malaysia.

The Group also owns a prime 9.23 ha freehold waterfront land, strategically located in Johor Bahru's City Centre, with a proposed long term plan to build an integrated healthcare city to meet the growing healthcare needs of the people in the region.



Thomson Medical Centre

Current

- **187 Beds**
- **39 Clinics and centres**



CARING FOR GENERATIONS AND BEYOND



LETTER TO SHAREHOLDERS



DEAR SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present Thomson Medical Group's Annual Report for the financial year ended 30 June 2021.

The world continues to grapple with the far-reaching impact of the COVID-19 pandemic, and thus, it was also an extremely challenging year for the Group. In the face of pressing public health challenges, I am proud to say that the team at Thomson is resilient, adaptable and has continued to work tirelessly, delivering the best care to patients across the Group's healthcare network. I want to acknowledge the sacrifice Thomson employees and doctors have made so far during this pandemic.

The Group achieved a commendable increase in revenue of 11.2% to \$240.4 million across both the hospital and specialised segments, due to higher patient load, new services, as well as additional revenue streams from the Group's efforts in supporting the Singapore government's COVID-19 initiatives. Higher revenue growth, government grants and cost-saving measures resulted in the Group's EBITDA growing 40.5% to \$66.8 million. The Group's full-year net profit after tax grew to \$16.9 million compared to a \$98.0 million loss, mainly attributable to a one-off non-cash impairment of \$93.4 million recorded on the 9.23 ha freehold land located in Johor Bahru, Malaysia, in the previous financial period.

The Group continues to maintain a healthy balance sheet with a cash position of \$122.7 million.

COVID-19

As we transition towards an endemic COVID-19 situation in Singapore, the Group continues to prioritise the health and well-being of our patients, staff, and stakeholders by mitigating elevated public health risks through various safety initiatives. In reducing the risk of transmission between frontline healthcare workers and patients, our hospitals in Singapore and Malaysia have initiated a staff vaccination programme. To date, I am happy to report that up to 90% of all staff at Thomson Medical Centre (TMC) and Thomson Hospital Kota Damansara (THKD) have been fully vaccinated, providing a safe space and peace of mind for our patients as they receive care.

As a healthcare Group, we have been working closely with the local health authorities to support national efforts to fight COVID-19. In Singapore, Thomson Medical was commissioned by Ministry of Health to set up and run three vaccination centres to support the nationwide vaccination programme. Additional private clinic facilities were also deployed to administer other approved vaccines to eligible individuals. Over in Malaysia, THKD stepped forward to register the hospital as a vaccination centre under the National Immunisation Programme to support vaccination efforts. I am heartened by the sense of shared purpose among our staff who have stepped forward in the face of adversity, to do our part as we forge ahead into the new normal.

GROWTH

Despite the challenges, the Group remained focused on its mission to continue growing by deepening our core competencies and expanding into adjacent services.

In Singapore, the Group continues to expand its network of clinics and services, to better serve the needs of the whole family. We have expanded our range of surgical specialities, offering orthopaedic and sports-related care at Thomson Surgical Centre. Further expanding our brand of care into the heartlands, we established our 10th women's clinic at Punggol Waterway Point, augmenting existing paediatric and Traditional Chinese Medicine services for families in the vicinity. Leveraging on our deep experience in women's and children's health, we launched Thomson Kids, a specialised learning centre that supports children with learning disabilities and strives to take care of their developmental health in a holistic and evidence-based way.

In Malaysia, construction of the 400-bed expansion wing at THKD is complete and it has received the Certificate of Completion and Compliance. The new wing is targeting to be operational around the end of 2021. Outside of the hospital, TMC Fertility officially launched its expanded flagship centre at Puchong Financial Corporate Centre, further entrenching our market leadership in the fertility segment. With planning for the development of the Rapid Transit System (RTS) Link project at Bukit Chagar underway,

LETTER TO SHAREHOLDERS

the Group remains optimistic about the development of Thomson Iskandar Medical Hub at Johor and aims to complete its development within 24 months after the RTS is fully operational.

As the pandemic has brought about a hotbed of disruption to the healthcare space and our way of life, we have identified bright spots in technology and medical innovation that can help transform adversity into opportunity. Thomson X (TX) is the Group's exciting endeavour into the future of healthcare – by harnessing the potential of HealthTech solutions with the Group's medical experience, network, and resources, we aim to unlock new growth areas. TX has already announced strategic partnerships with the Global Esports Federation and eye health technology company, Plano, and will continue to explore partnerships and investment opportunities that build on our core expertise.

“Thomson X (TX) is the Group's exciting endeavour into the future of healthcare – by harnessing the potential of HealthTech solutions with the Group's medical experience, network, and resources, we aim to unlock new growth areas.”

LEADERSHIP CHANGES

On 31 December 2020, Ms Mega Tianadi retired after serving the Group as the Chief Executive Officer of Thomson Medical Pte Ltd (TMPL). She has served Thomson Medical in various capacities for more than 12 years. On behalf of the Board, I would like to thank Mega for her leadership and invaluable contributions to the Group over the years and wish her happiness and good health in her retirement.

As part of rejuvenating the team and succession planning, I am pleased to extend a warm welcome to Dr Daniel Lee Hsien Chieh who was appointed General Manager and Chief Operating Officer of TMPL on 20 November 2020. Dr Lee is no stranger to Thomson Medical, having joined us in 2018 as Senior Director, Operations (Hospital Services), and overseeing the business operations of hospital services. A public health specialist and a Fellow of the Academy of Medicine Singapore, Dr Lee held various leadership positions in hospital operations and clinical services in Changi General Hospital and served at the Health Regulation Group, and Epidemiology & Disease Control Division at the Singapore Ministry of Health. I am confident that Dr Lee will continue to contribute positively to our Group in his new capacity.

APPRECIATION

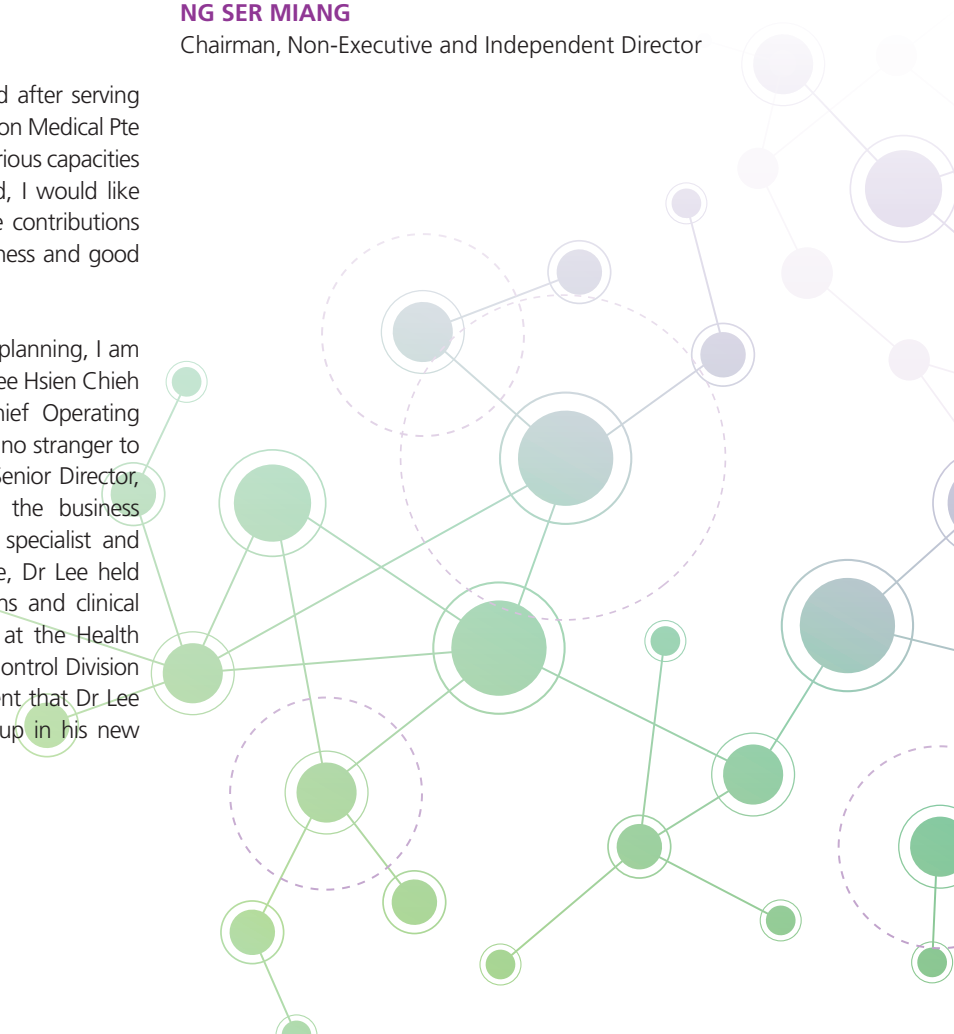
On behalf of the Board, I would like to express my sincere appreciation to the Group's doctors, nurses, and staff for their dedication and professionalism as they continue to deliver good care and service to our patients during these especially challenging times. I would also like to thank my fellow Board members and Group management for their counsel and leadership as we steer the Group through the pandemic.

As the Group evolves, I wish to also thank our shareholders, patrons, and business partners for the confidence they have placed in the Group and the endorsement of its growth plans over the years. To mark our encouraging performance this financial year, I am happy to share that the Board has recommended to propose a final special dividend of 0.015 cents per share at the forthcoming Annual General Meeting.

The pandemic is likely to persist for awhile yet. Nonetheless, I have every confidence in the resilience, agility, and innovation of the people of Thomson Medical to chart a course into the future, and emerge stronger and healthier.

NG SER MIANG

Chairman, Non-Executive and Independent Director



BOARD OF DIRECTORS

MR NG SER MIANG, 72

Chairman, Non-Executive and Independent Director

Mr Ng was appointed Non-Executive Independent Chairman on 1 December 2015 and was last re-elected on 23 October 2020. 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 for 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.

DR WONG CHIANG YIN, 53

Executive Director and Group Chief Executive Officer

Dr Wong was appointed as Executive Director and Group Chief Executive Officer on 1 February 2020. He was last re-elected as director on 23 October 2020. He leads and manages the Group and works actively with the Board and Management to set strategic direction focused on growing the business.

Dr Wong is a medical doctor and a public health specialist with more than 20 years of healthcare management experience. He is currently an Independent Director of RHT Health Trust, a company listed on SGX. Previously he was the Executive Director and Group CEO of Cordlife Group Limited, President of Thomson International and Executive Director of TMC Life Sciences Berhad. He is a Council Member of the Singapore Medical Association and was its President from 2006 to 2009. He has held senior positions in the public sector, including Chief Operating Officer of Singapore General Hospital and Changi General Hospital. He is also an elected member of the Singapore Medical Council.

Dr Wong holds a Bachelor of Medicine and Bachelor of Surgery, as well as Master of Medicine (Public Health) from the National University of Singapore. He also holds a Master of Business Administration (Finance) from the University of Leicester. He is a Fellow of the Academy of Medicine, Singapore.

BOARD OF DIRECTORS

MR WILSON SAM, 45

Executive Director and Group Chief Financial Officer

Mr Wilson Sam was appointed to the Board on 15 March 2019 as Executive Director and Group Chief Financial Officer and was last re-elected on 25 April 2019. 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 and an Alternate Director of TMC Life Sciences Berhad.

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, a CAIA charter holder and holds the FRM certification.

MR HENG KIM CHUAN FREDDIE, 68

Non-Executive Non-Independent Director

Mr Heng was appointed to the Board on 25 April 2018 and was last re-elected on 25 April 2019. He sits on the Audit and Risk Committee.

Mr Heng has over 30 years of experience in the areas of financial and operations management, corporate restructuring as well as mergers and acquisitions. He was with Arthur Andersen & Co (London) in 1977 and was subsequently transferred to the Singapore Office in 1981, where he remained till 1985.

Mr Heng had previously served as a member of the board of directors in a number of public listed companies in Singapore and abroad, including several years as Executive Director in a Singapore listed company.

Mr Heng is a Chartered Accountant and holds a Bachelor of Science in Economics from the London School of Economics and Political Science.

MR LIM WEE KIAT, 28

Non-Executive Non-Independent Director

Mr Lim was appointed to the Board on 15 March 2019 and was last re-elected on 25 April 2019. He sits on the Nominating and Remuneration Committee.

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.

MR ONG PANG LIANG, 62

Independent Director

Mr Ong was appointed to the Board on 1 January 2016 and was last re-elected on 23 October 2020. 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, 62

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 over 30 years of international experience in general management, strategy consulting, corporate governance, direct investment, investment banking and fund management. He is currently Chairman of Hong Kong Cyberport and Senior Advisor to Macquarie Group Asia.

Dr Lam holds a Master of System 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, the Hong Kong Institute of Directors and the Institute of Corporate Directors Malaysia (ICDM), and 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.

KEY MANAGEMENT

DR DANIEL LEE HSIEN CHIEH

General Manager and Chief Operating Officer
– Thomson Medical Pte Ltd

Dr Lee is the General Manager & Chief Operating Officer of Thomson Medical Pte Ltd. He joined Thomson Medical as Senior Director, Operations (Hospital Services) in 2018 and was promoted to General Manager and Chief Operating Officer in 2020 overseeing all business operations of Thomson Medical Centre.

Dr Lee began his professional career in Internal Medicine and has more than 16 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 Regulations 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 the current Honorary Treasurer of the Singapore Medical Association (SMA) and an Executive Director of SMA Pte Ltd. He is also an elected Executive Committee Member of the Fulbright Association (Singapore) since 2011. Dr Lee sits in the Management Committee of 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.

MS CHAN WEI LING

Chief Executive Officer, Specialist Centres
– Thomson Medical Pte Ltd

Ms Chan is the Chief Executive Officer, Specialist Centres of Thomson Medical Pte Ltd, overseeing Thomson Wellth and specialist clinics covering fertility, obstetrics & gynaecology, breast and gynae-oncology, paediatrics, health screening, dentistry, dermatology, medical aesthetics, sports medicine, TCM and specialised learning for children with learning difficulties. She also oversees off-site Covid-19 projects.

Prior to joining Thomson Medical, she was with Singapore's Ministry of Health (MOH) for 25 years, rotating through portfolios overseeing patient finance, hospital funding, corporate finance, human resource, and corporate services. Her last held appointment in MOH was Director of Human Resource, and Director of Corporate Services. In 2009, she was seconded to Jurong Health Services (JHS) as Director of Projects Office for 2 years to be part of the JHS' leadership team to start up Ng Teng Fong General Hospital and Jurong Community Hospital.

In 2018, Ms Chan was awarded the Public Administration Medal (Bronze) by the President of Singapore.

Ms Chan is a Fulbright Scholar. She holds a Master in Health Services Administration from the University of Michigan, a Master of Science in Healthcare Management from the University of Wales, and a Bachelor of Science in Biology from the National University of Singapore.

MR TAN ZING YUEN

Chief Risk and Compliance Officer
– Thomson Medical Group Ltd

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).

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



**MS WAN NADIAH BINTI WAN
MOHD ABDULLAH YAAKOB**

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

Ms Nadiah is 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 and Group Chief Corporate Officer of TMCLS 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 MSc 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 Vice-President of the Harvard Club of Malaysia.



MR WONG YU CHEE

Group Chief Financial Officer
– TMC Life Sciences Berhad

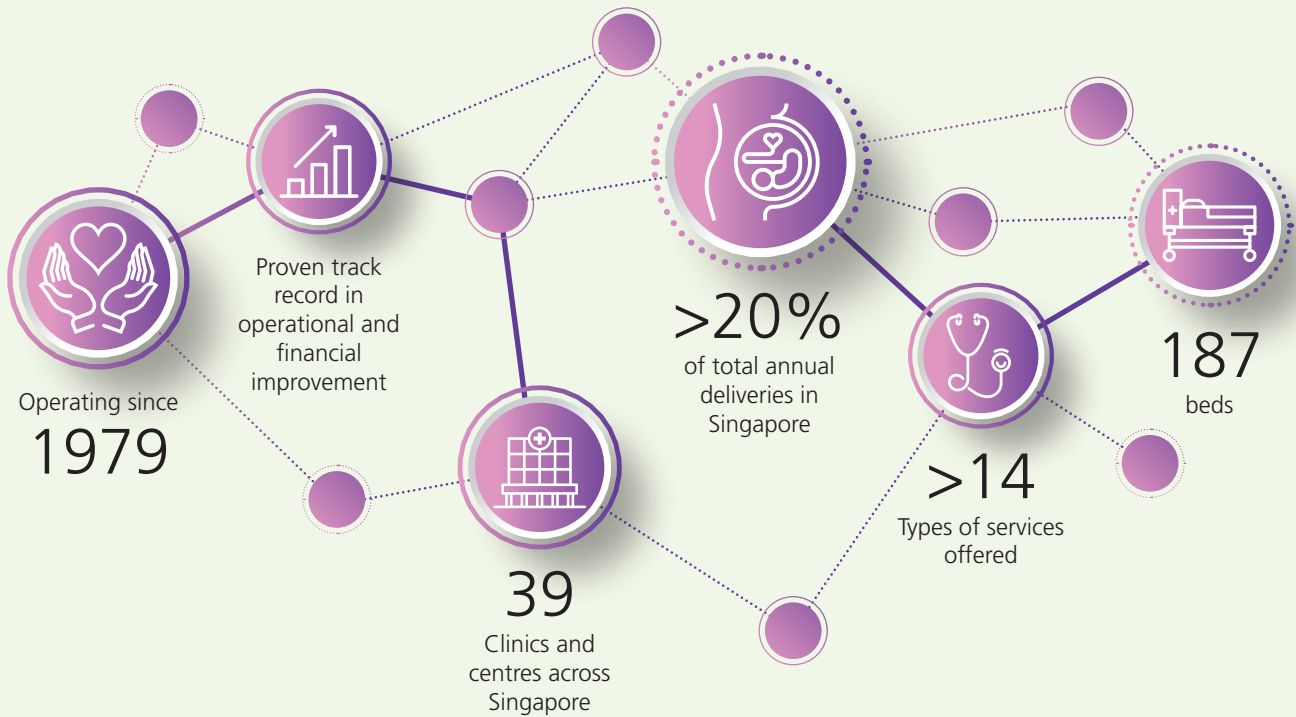
Mr Wong has over 25 years' experience in finance, audit, accounting and tax compliance services in Malaysia and Shanghai. Mr Wong started his career in 1996 joining a local audit firm as auditor. He then joined Coopers & Lybrand in 1997, now known as PricewaterhouseCoopers (PwC). Mr Wong spent almost eight years in PwC specialised in assurance assignment of large multinational company, public listed companies in various industries, Initial Public Offer (IPO) and corporate exercise. Mr Wong joined GlaxoSmithKline then as Finance Manager before he left Malaysia joining Ernst & Young Shanghai in 2005. Mr Wong spent three years in Ernst & Young Shanghai focusing on statutory audit assignment, IPO 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 Goods and Services Tax 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.

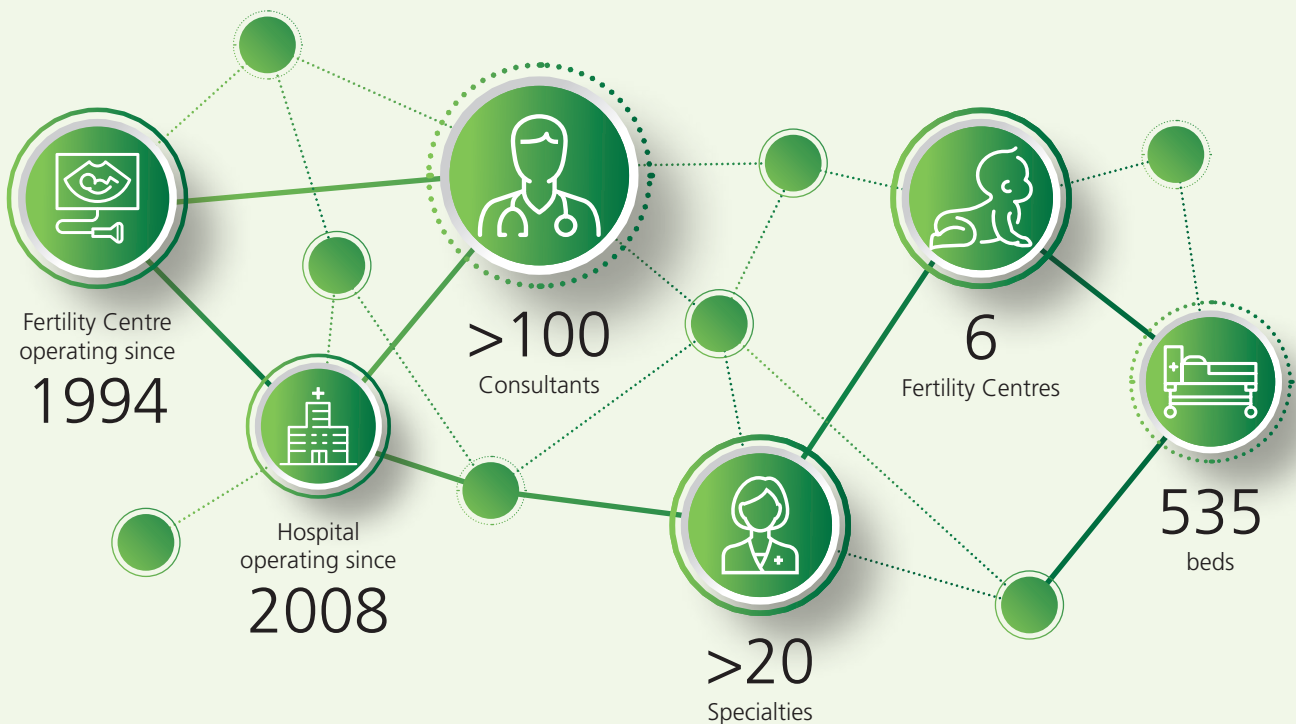
Mr Wong is a Fellow Member of Association of Chartered Certified Accountants (FCCA), member of Malaysian Institute of Accountants (MIA)-Chartered Accountant (M) and Associate Member of Chartered Tax Institute of Malaysia (ACTIM).

THOMSON MEDICAL GROUP AT A GLANCE

SINGAPORE



MALAYSIA





**A BOND OF TRUST
A CELEBRATION
OF LIFE**

OPERATIONS REVIEW

FINANCIAL REVIEW

Financial Performance

The comparative financial period refers to the period from 1 July 2019 to 30 June 2020.

Despite the challenges during the Covid-19 pandemic, the Group managed to achieve a commendable increase in revenue of 11.2% to \$240.4 million, on the back of good performance from both the hospital and specialised segments. These segments posted revenue growth, which was attributed mainly to higher patient loads, new services as well as additional revenue streams from the Group's efforts in supporting the Singapore Government's Covid-19 initiatives.

The Group's EBITDA came in at \$66.8 million compared to \$47.5 million in the same period last year. EBITDA grew by 40.6% on the back of higher revenue, higher government grants received as part of the support provided by the Singapore government during the Covid-19 pandemic, as well as lower costs because of overall cost-saving measures implemented by the Group to mitigate the impact of Covid-19. The overall reduction in costs was partially offset by the increase in staff costs by 9.4% to \$74.9 million. The increase was mainly due to higher headcounts and salary adjustments so as to maintain salary competitiveness for our staff.

Overall net finance costs were lower by \$0.7 million to \$22.6 million due to lower interest rates during FY2021 compared to last year.

The Group posted a net profit after tax of \$16.9 million compared to a net loss of \$98.0 million in FY2020. In FY2020, the net loss was mainly attributed to a one-off non-cash impairment of \$93.4 million on the freehold land located within the Iskandar Development Region in Johor Bahru, Malaysia.

The Group's PATMI for FY2021 was at \$14.2 million compared to a loss of \$99.4 million.

Financial Position and Cash Flows

The Group's financial position as of 30 June 2021 remained strong with a cash and cash equivalent balance of \$122.7 million compared to \$160.0 million in FY2020.

The net decrease in the cash and cash equivalents during FY2021 was mainly due to the net repayment of loans and interest amounting to \$53.2 million and cash flow used for purchasing property and equipment amounting to \$37.3 million. The net decrease was partially offset by the increase in the net cash inflows from operations of \$61.2 million.

SINGAPORE OPERATIONS

As we forge ahead into the new normal, the Group continues to establish new areas of growth by implementing innovative business initiatives. By fulfilling growing and new needs in the domain of women's and children's health, the Group aims to continue healthy business growth in the years to come.



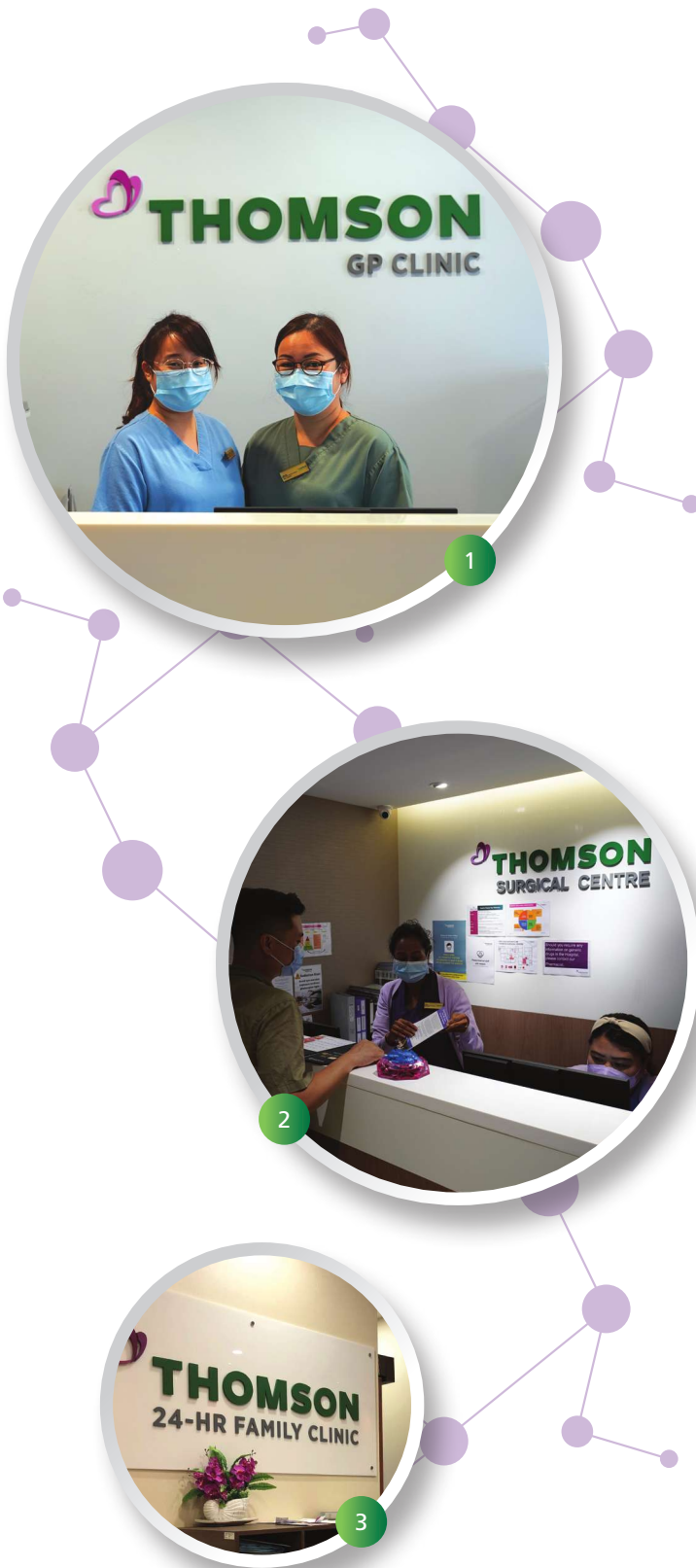
Thomson GP Clinic (TGP) was established to serve the primary healthcare needs of our patients, including common acute conditions, chronic conditions, facilitating medical check-ups, and other statutory medical examinations. The clinic is certified under MOH's Public Health and Preparedness Clinic (PHPC) and Community Health Assist Scheme (CHAS) initiatives. As such, patients can receive subsidised treatment under the Flu Subsidy Scheme, including a free Antigen Rapid Test (ART) and Covid-19 Polymerase Chain Reaction (PCR) swab test, at the clinic if they display acute respiratory symptoms.

At both the Thomson 24-Hour Family Clinic at TMC as well as at TGP, patients will now be able to make appointments for the full spectrum of Covid-19 tests for the whole family, such as pre-departure swab tests for travellers, IgG and IgM antibody serology tests, Covid neutralising antibodies (cPass) test, and Pre-Event Testing (PET).

In addition, under the CHAS scheme, free childhood vaccinations recommended under the National Childhood Immunisation Schedule (NCIS) are now available at TGP for Singaporean children under the age of 18. This includes vaccinations against pneumococcal disease and vaccinations against chickenpox. Besides making these recommended immunisations for children more accessible and affordable for Singaporean parents, the free vaccinations will also better protect Singaporeans from vaccine-preventable diseases and reduce the risk of disease outbreaks in the community. In addition, Singaporean adults will also be eligible for subsidies for vaccinations recommended as part of the National Adult Immunisation Schedule (NAIS).



On top of offering patients Covid-19 PCR swab tests, Antigen Rapid Testing and Covid serology testing, Thomson 24h Family Clinic also offers government-subsidised PCR Covid-19 swab tests for children under 12 years old under the Swab and Send Home (SASH) scheme. All children who have been assessed to have acute respiratory illness or any symptoms suggestive of COVID-19 infection or have a valid swab referral from a general practitioner are eligible, making the clinic a one-stop swab centre for adults and children, 24 hours a day.



THOMSON SURGICAL CENTRE

Expanding Thomson Surgical Centre's (TSC) comprehensive range of surgical specialities, Thomson Medical's staff and patients will now have access to a multidisciplinary specialist team for orthopaedic and sports-related injuries under one roof, with the addition of Dr Tan Sok Chuen, an orthopaedic surgery specialist with subspecialty training in hip and knee surgery, and Dr Jacqueline Tan, the former Head of Department and Senior Consultant of Hand and Reconstructive Microsurgery at Singapore General Hospital (SGH). To provide holistic care, we also have a team of sports medicine physician and experienced physiotherapists to see to the musculoskeletal and rehabilitation needs of our patients.

In addition, TSC now offers patients comprehensive preventive care services to maintain optimal health and enjoy more years of quality life. TSC provides a one-stop health screening solution for executives that includes the full suite of day endoscopy and colonoscopy screening services by our General Surgeons, helping patients to gain early insight into their health statuses and tailoring clinical interventions to address health issues early.

THOMSON WOMEN'S CLINIC

In response to the growing demand for Thomson's services in the North-East region of Singapore, Thomson Women's Clinic Holdings Pte Ltd (TWC) established an anchor presence at Punggol Waterway Point (TWC Punggol) in August 2020. Jointly run by doctors from various TWC clinics, this new clinic also offers night clinic sessions bringing convenience to families, with our brand of care closer to homes in the heartlands of Singapore. Together with the existing Thomson Paediatric Centre (TPC) and Thomson Chinese Medicine (TCM) clinic at Punggol Waterway Point, we hope to better cater to the healthcare needs of the many young families in Punggol.

- 1 Thomson GP Clinic serves the primary healthcare needs of our patients
- 2 Thomson Surgical Centre's multidisciplinary team offers a wide range of surgical interventions for all patients
- 3 Thomson 24h Family Clinic is there for the whole family around the clock

OPERATIONS REVIEW



Building on decades of experience in women’s and children’s health, Thomson Medical launched Thomson Kids, offering specialised learning with a structured education programme derived from evidence-based interventions, to help children with learning difficulties, such as attention deficit hyperactivity disorder (ADHD), autism, and dyslexia. This allows us to build an ecosystem of synergistic services where children’s developmental health and well-being are taken care of in a holistic and multidisciplinary way.

The Specialised Learning Centre was opened in February 2021 at United Square Learning Mall, to provide support for children with learning difficulties in mainstream schools. The centre is staffed by a team of psychologists, speech & language therapists, curriculum specialists and special needs trained teachers with extensive experience in helping children with learning difficulties and is passionate about helping children with learning difficulties maximise their learning potential, so they will be better equipped to participate and progress within the mainstream educational environment.

The centre’s curriculum is targeted at creating new pathways for helping children with learning difficulties learn better. Every child is assessed before enrolment into the programme, so interventions can be targeted to address each child’s specific learning needs. Moving away from traditional classroom learning, Thomson Kids uses technology, games, and bite-sized learning activities to instil students’ interest to learn. In addition, teaching materials at the centre are closely aligned with the Ministry of Education’s curriculum to help our students cope with learning in their school.

Further building on Thomson Medical’s focus on preventive health and wellness, its affiliated brand, Thomson Counselling, will operate in tandem, helping children, teenagers and families address emotional, psychological, and behavioural problems that may interfere with learning and general well-being.



To deliver better levels of care and service for our patients, Thomson Women Cancer Centre (TWCC) has moved to its new premises at Royal Square Medical Centre at Novena. Chiefly focused on the care of women’s cancer, the centre is dedicated to the screening, prevention, diagnosis, and treatment of gynaecological tumours. TWCC continues to be committed to providing compassionate, consistent, customised, and comprehensive care for women, through its experienced team of gynae-oncologist, medical oncologists, radiation oncologists, pathologists, and oncology nurses.

- 4 Backed by years of experience in women’s and children’s health we launched Thomson Kids
- 5 Thomson Kids is passionate about helping children with specific learning needs
- 6 Thomson Women Cancer Centre is dedicated to the screening, prevention, diagnosis, and treatment of gynaecological cancers

THOMSON WELLTH

In continuing to provide upstream and preventive care for the entire family, Thomson Wellth has expanded and introduced a series of new services to help patients look good, feel good, and stay healthy.

Expanded Health Screening Packages

The importance of staying healthy during the Covid-19 pandemic has never been more pertinent. To keep up with the evolving needs of our patients, Thomson Wellth Clinic has expanded its range of services to include more premium health screening services that comprise an extensive selection of investigations as well as comprehensive blood and hormone profiles. To better support our female patients, Thomson Wellth Clinic also launched a health screening package tailored to screen for common cancers that affect women, to promote the importance of early detection of cancers.

Medical Aesthetics

Since January 2021, Thomson Wellth has partnered with the Chelsea Clinic to offer a comprehensive range of medical aesthetics services and treatments to patients at our flagship clinic in Paragon Medical Centre. Adopting a holistic approach to a person's well-being through medical aesthetics and personalised healthcare, patients can have access to services and treatments such as weight reduction, body contouring and skin tightening (Fat-Freezing, EMSculpt, Venus-Legacy),

V-shaped facial features (Botox, Fillers, Threadlifts, Ultherapy) and Pre- and post-pregnancy skin glow (Dual Yellow Laser, Profhilo, Hydrafacial, IPL Photofacial) treatments.

Value-added services for Thomson Medical Centre mummies

Helping mothers capture precious memories of their baby, Thomson Medical is gifting all mothers who deliver at Thomson Medical Centre exclusive photosets, capturing precious images of their newborn at a professional photo shoot, as well as Thomson Fetal Assessment Unit (FAU) mummies with an exclusive fetal-image pendant. Launched in conjunction with Mother's Day 2021, we hope to help mothers capture those precious memories in the early weeks of mummy-baby bonding.

Testament to the commitment of our nurses and frontline staff to service excellence, Thomson Medical Centre is proud to have achieved the top Google review rating among all private hospitals in Singapore.

Experience Thomson Medical Virtually

To prioritise the safety of our patients and reduce the risk of disease transmission during the pandemic, we have curtailed physical hospital tours. To continue meeting the needs of all mummies-to-be considering Thomson Medical Centre, we have set up a virtual hospital tour so parents can be guided through the hospital journey safely from the comfort of their own homes. Our Guest Services team continues to be able to address any enquiries personally over the phone or via email.



7 Thomson Wellth continues to grow to be your partner in wellness and health

8 Thomson Wellth offers a comprehensive range of medical aesthetics services to help you look and feel well

9 Capture precious heartfelt memories with these thoughtful services

OPERATIONS REVIEW

STAYING RESILIENT

The Covid-19 pandemic continues to impact the way we live, work and play. Over the past year, Thomson Medical Group has been working closely with the health authorities to support the fight against Covid-19. The Group has rolled out various initiatives to ensure the safety of our patients, staff, and stakeholders.

Staff vaccination

At the beginning of January 2021, Thomson Medical kick-started its staff vaccination programme. To date, we have vaccinated 90% of all hospital frontline staff and achieved 100% vaccination of staff working in critical areas such as the Operating Theatre.

Vaccinating mothers

Following recommendations from the Expert Committee on Covid-19 Vaccination, pregnant mothers can now be vaccinated at Thomson Medical Centre (TMC). In support of Singapore's push toward ramping up vaccinations and providing holistic care for our patients, the hospital has begun offering free vaccination services to medically eligible mothers at TMC.

Serology Testing at Foreign Worker Dormitories

In support of national efforts to manage the Covid-19 situation, Thomson Medical was engaged by Health Promotion Board to project-manage and supply phlebotomists for the serology testing of migrant workers. From June 2020 to December 2020, Thomson Medical deployed teams of healthcare staff and phlebotomists to various migrant dormitories and quarantine facilities to support serology testing efforts. The teams rose to the challenge, drawing up to 1,000 blood samples a day from migrant workers. These efforts helped to provide critical information on the infection prevalence rates among migrant workers in Singapore.

Vaccinating Singaporeans – Vaccination Centre Operations

In February 2021, Singapore kick-started its nationwide vaccination programme. This involved prioritising the vaccination of seniors aged 70 and above, who are at a higher risk of severe disease. Over time, the programme progressively opened to more age groups in a bid to vaccinate two-thirds of the population by National Day.

Doing our part in this large-scale national effort, Thomson Medical was commissioned by MOH to set up and operationalise three vaccination centres at Senja-Cashew Community Club, Bishan Community Club and Potong Pasir Community Club. To manage the vaccination operations, each centre is staffed by a team of trained screeners, ushers, nurses and a doctor, with a Centre Manager on site. With the support of the People's Association which oversees the community clubs, each vaccination centre has been able to manage a capacity of about 2,000 vaccination appointments a day, operating daily from 8:00 am to 10:00 pm.

Following the World Health Organization's (WHO) approval of the Sinovac vaccine to be on its emergency use list, MOH designated several private clinics to administer the Sinovac vaccination to eligible individuals via the Special Access Route (SAR). Thomson Wellth Clinic at Paragon was selected as one of the 24 clinics. With ample floor space and a ready team of healthcare professionals, Thomson Wellth Clinic was able to accommodate a throughput of about 200 vaccinations per day.

In response to strong public demand for the Sinovac vaccine, MOH further licensed seven private healthcare institutions to provide Sinovac vaccinations, including Thomson GP Clinic. The additional clinics will supplement the initial 24 clinics



- 10 Keeping our staff safe and vaccinated
- 11 Regular testing keeps the safety of our staff, patients and visitors our top priority
- 12 Thomson Medical operates three vaccination centres to do our part to vaccinate fellow Singaporeans
- 13 Offering alternate vaccine options to our patients at Thomson Wellth Clinic

by helping to manage existing appointments, thereby alleviating long waiting times. In addition, Thomson GP Clinic has vaccinated patients who were unable to receive mRNA vaccines offered by Singapore's vaccination programme due to medical contraindications.

Surveillance Covid-19 Testing

In response to Covid-19 community cases, the Ministry of Health (MOH) implemented enhanced Covid-19 surveillance at healthcare settings for all admitted patients, caregivers, and healthcare workers. Over the past year, TMC has worked closely with the health authorities to implement various enhanced safety measures to ensure that TMC remains a safe place for our patients.

Since 8 May 2021, TMC has offered all patients that are more than five years old the opportunity to undergo a surveillance COVID Polymerase Chain Reaction (PCR) swab on admission. Patients that are admitted under emergency scenarios will also undergo an Antigen Rapid Test (ART), to mitigate the risk of transmission in the inpatient setting.

In addition, all doctors and healthcare workers involved with supporting patient care at TMC have undergone a One-Time Surveillance (OTS) test and were further subjected to Rostered Routine Testing (RRT). Since the commencement of staff surveillance activities on 11 May 2021, TMC has reported that all patient-facing staff are 100% Covid-19 negative at the end of June 2021. Following guidance from MOH, RRT for all eligible staff will continue to be enforced till further notice.

At TMC, the safety of all patients, staff and visitors is our top priority. To ensure that TMC remains a safe place to deliver babies and undergo surgeries, the hospital will continue to calibrate these enhanced safety measures in line with the evolving situation and in compliance with guidelines from MOH.

FORGING AHEAD



THOMSON X

Recognising that the future of healthcare will be driven by technology, new areas of medical innovation, and healthcare products and services, the Group established Thomson X (TX) to chart new growth areas for the Group. TX directs the Group's technology roadmap and is the catalyst for synergistic partnerships with innovative health technology and research companies to deliver growth opportunities to the Group in the years to come.

Guiding TX's efforts are three business pillars: TX Accelerate, TX Build, and TX Innovate. TX Accelerate drives partnerships or investments into startups and leading HealthTech companies, providing go-to-market access for the next generation of healthcare technologies and services. TX Build is the Group's internal venture builder, focusing on digitalising and scaling existing core businesses. TX Innovate explores research partnerships and collaborations to identify new healthcare treatments and services for future growth opportunities as well as provide research insights on leading health-related issues.

One of TX's first focus areas is on eye health. Myopia is among the world's biggest public health challenges, affecting an estimated 2.6 billion people and is expected to double by 2050. Developed Asian economies such as Singapore, Hong Kong, Taiwan, and South Korea have reported myopia rates of over 80%. The estimated global direct cost of managing myopia annually amounts to US\$328 billion. Furthermore, with the increase in time spent on digital devices, especially among young children, vision disorders are becoming increasingly worrying.

To address this global issue, TX has established a series of strategic partnerships. The first partnership, with the Global Esports Federation (GEF), will encourage responsible Esports through better performance, wellness, and lifestyle for young esports players. The GEF is an internationally recognized body, supported by over 115 global partners, an extensive network of 67 member countries, and the United Nations. It also counts Tencent as a founding global partner and includes other top game publishers and developers, such as Supercell, Riot Games, Sega, and Smilegate as members.

The second partnership, with Plano, leverages innovative technologies and artificial intelligence to provide better and more accessible eye health solutions. Plano is an award-winning health technology company, supported by the Singapore National Eye Centre, Singapore Eye Research Institution, and the National Health Innovation Centre and is partnered by Japanese pharmaceutical giant Santen Co. Ltd. In the spirit of deepening the partnership and allowing TX to be invested in the growth of Plano, TX has been granted an option to subscribe for a minority equity stake in Plano. The option can be exercised in three tranches over a six-year period subject to certain milestones and business performance.

By building on the strategic synergies between the Group's expertise in women's and children's health and extensive hospital and clinics network in Singapore and Malaysia, and global reach and values of the GEF, and the innovative eye health management solutions of Plano, TX aims to deliver next-generation myopia management and treatments to a global audience.

OPERATIONS REVIEW



TX will continue to explore promising partnerships and investment opportunities with leading healthcare and technology players by leveraging on the strengths of the Group to deliver sustainable growth for the Group and our partners over the longer term.

Electronic Medical Records

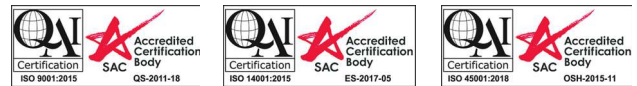
Thomson Medical has begun work to implement the Electronic Medical Records (EMR) system. The system is scheduled to go live by FY2023, and aims to improve patient care and safety with easy access to a patient's full medical records at the point of care. Digitalised medical records will also enhance productivity with integration to other clinical systems for seamless and speedy access to patient results and be a key enabler for health data analytics. To this end, we have also set up a new department, the Health Information Management Service, to support our data-driven performance management journey.

Ultragram

Ultragram is a mobile app that is designed to deliver patients' fetal ultrasound images digitally so that they can have access to these images throughout their pregnancy. As we continue to improve the mobile app for our FAU mummies, Thomson Medical's patients are now also able to view medical reports and corresponding images such as X-rays and mammography on request.

ISO Certification

In December 2020, Thomson Medical Centre successfully achieved triple ISO certification for Quality, Environmental and Occupational Health & Safety through the implementation of Integrated Management System (IMS) comprising ISO 9001:2015 (Quality Management), ISO 140001:2015 (Environmental Management) and ISO 45001:2018 (Occupational Health and Safety Management).



Digital Marketing & Products

Covid-19 has significantly accelerated digital adoption worldwide. Consumer behaviour has rapidly moved into the digital space. The healthcare sector is not immune to such changes as many consumers expect the default purchasing channel for products and services to be digital. In response, the Group has established a new digital marketing team to generate online sales and leads for the healthcare business through high-impact, integrative and data-driven marketing solutions. The team will also manage new product acquisition, product development and sales channel management.

- 14 Thomson X leads the charge to harness technology to drive future growth
- 15 Digitally delivering fetal ultrasound images and reports to our patients
- 16 Taking Thomson Medical's brand of products and services into the digital space

COMMUNITY ENGAGEMENT

I Love Children (ILC) Campaign

With Singapore facing a declining birth rate and an ageing population, Thomson Fertility Centre (TFC) and Thomson Chinese Medicine (TCM) have continued to partner ILC for a fourth consecutive year in October 2020, to support efforts to inculcate the value and importance of parenthood and family among Singaporeans. As with previous years, TFC extended support to the ILC campaign by sponsoring complimentary fertility health screenings worth more than \$60,000 to about 150 couples. By making fertility health checks more accessible, more couples – especially price-conscious couples – can better understand their fertility status to make well-informed decisions regarding reproduction and family planning. Besides sponsorship, fertility experts from TFC and TCM also contributed towards the campaign's publicity initiatives to bring about more public awareness and offer both Western and Eastern insights on fertility to empower couples with knowledge to make better decisions. In addition, the campaign aims to encourage couples to be more proactive in discovering their fertility health and to step forward in seeking treatment early if they face difficulties conceiving.



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Webinars

As social distancing measures continue to be enforced to mitigate the increased spread of Covid-19, TMC continues to engage parents, parents-to-be and other audiences through regular virtual events covering topics ranging from pregnancy, parenting, and paediatrics to other topics such as fertility and general surgical specialities.

The Group also ventured into adjacent healthcare areas by organising virtual events with key partners. For example, "Managing Childhood Myopia – Protecting The Vision Of Our Future" was a webinar organised to help parents raise awareness of childhood myopia and innovative management approaches, by partnering with experts from Eagle Eye Centre and Thomson X's technology partner, Plano.

In reaching out to fertility specialists, obstetricians, gynaecologists and general practitioners in the medical community, the Group also organised the inaugural "Thomson IVF Conference 2021", bringing together an international panel of fertility experts from Thomson Fertility Centre (Singapore), TMC Fertility & Women's Specialist Centre (Malaysia), and MIRMA (Spain). The inaugural webinar covered various aspects of assisted reproductive technology and how it is driving change in the reproductive health space and improving fertility outcomes for women globally.

Collaboration with WINGS

Leveraging on our expertise in obstetrics and post-natal care, Thomson Medical's ParentCraft educators have expanded an ongoing collaboration with the Women's Initiative for Ageing Successfully (also known as WINGS) to conduct Confinement Nanny Training as well as Toddler Care training programmes. To date, educators from the Thomson ParentCraft Clinic have successfully equipped almost 400 women with Confinement Nanny and Toddler Care skills so that they can provide care for infants and children at home with peace of mind.

Sale of Book for Charity Purpose

"How to Eat" is a bilingual book on gastronomy written by our GCEO and Executive Director, Dr Wong Chiang Yin. It is sold at TMC's information counter, Thomsonbaby.com online store and Thomson Wellth. All proceeds from the sale of these books will be donated to the Singapore Medical Association Charity Fund (SMACF). SMACF is a registered charity which mainly supports poor medical students studying in our local medical schools by giving them cash grants to help with their living expenses.

17 Supporting publicity efforts to promote family and parenthood

18 Continuing to engage parents and parents-to-be through online webinars

OPERATIONS REVIEW

MALAYSIA OPERATIONS

Hospital expansion

Thomson Hospital Kota Damansara's (THKD) newly completed expansion wing received the Certificate of Completion and Compliance (CCC) on 5 May 2021 and is targeted to be operational around the end of 2021. In addition to specialist clinics and inpatient rooms, the new building will also house a brand-new Cancer & Radiosurgery Centre and Nuclear Medicine Centre, and a new TMC Care pharmacy branch.

TMC Fertility Puchong officially commenced operations on 25 September 2020 at Puchong Financial Corporate Centre. The new flagship centre is equipped with comprehensive facilities and is helmed by two resident fertility consultants. The centre is also co-located with Thomson TCM, providing patients with East-meets-West services that complement their fertility journey.

Over at Johor, the Group aims to complete the development of Thomson Iskandar Medical Hub within 24 months after the Rapid Transit System (RTS) Link project at Bukit Chagar is fully operational.

New specialist clinics

THKD continues to focus on providing integrated, value-based care to our customers. With this in mind, the hospital has developed a series of specialised clinics focusing on common conditions.

To tackle common health problems like headaches and migraines, THKD launched the first dedicated Headache Clinic in Malaysia on 28 September 2020. Helmed by THKD's Consultant Neurologist, the clinic provides comprehensive screening and care services for patients who suffer from chronic headaches.

On 28 October 2020, THKD set up the Heart and Acute Stroke Emergency Centre. Equipped with a dedicated healthcare team and workflow, the centre delivers fast and accurate treatment for heart attacks and strokes where time is crucial for successful outcomes. To serve patient's needs better, the centre also launched a coronary artery bypass graft (CABG) package and a stroke screening package.

Addressing common gastrointestinal conditions such as gastroesophageal reflux disease (GERD), gastritis and other digestive disorders, THKD established the Gastric & Reflux Clinic on 18 January 2021. By offering gastroscopy and pH studies, the clinic hopes to help patients by diagnosing problems and providing treatment as early as possible.

Patients who experience unsteady, fluttering, or noticeable heartbeats, now have access to THKD's Palpitation Clinic. Launched on 8 March 2021, the clinic provides patients with appropriate care and follow-up treatment for cardiac arrhythmias.

In conjunction with International Women's Day, THKD was the first hospital in Malaysia to introduce Total Mind and Body health screening packages for women. Launched on 18 March 2021, the multi-faceted, all-rounded screening programmes provide women with preventive care by reviewing their physical, mental, and dietary wellness.



Expanded specialities

THKD recruited 15 new consultants specialising in Clinical Radiology, Obstetrics & Gynaecology, Reproductive Medicine, Gynae-Oncology, Dermatology, Ophthalmology, Neonatology, Rheumatology, Hepatobiliary Surgery, Clinical Oncology, ENT Surgery and Nuclear Medicine, to support the expansion of specialist services.

On the Allied Health front, THKD commenced speech therapy services on 25 July 2020 and Autologous Bone Marrow Transplant Services on 1 September 2020, supported by Allied Health and Nursing in collaboration with partnering hospitals and external labs. In addition, a new wound care service was also launched in October 2020 under the hospital's Outpatient Department.

Response to Covid-19

Contributing to Malaysia's efforts to combat Covid-19, THKD began admitting Covid-19 patients to THKD on 26 January 2021. To ensure the safety of all patients, a specially designated and retrofitted ward was set up to accommodate Covid-19 patients. In addition, THKD consultants and frontline staff commenced vaccination under the National Immunisation Programme from February 2021. By May 2021, almost 90% of THKD staff had been fully vaccinated. Concurrently, THKD registered to be a vaccination centre under the National Immunisation Programme to support national vaccination efforts.

To upkeep high standards of safety, training sessions were conducted throughout the year to remind staff to adhere to infection control measures such as temperature screening, mandatory face masks and other measures mandated by the health authorities. Additional HEPA filters and facility upgrades were implemented to improve ventilation throughout the hospital.

Digital Transformation

In December 2020, THKD kickstarted the implementation of an integrated Total Hospital Information System (THIS) to integrate key functions such as electronic medical records and enterprise resource planning. Once implemented, THKD will be Malaysia's first hospital to be powered by the SAP-THIS system that will form the backbone of THKD's digital ecosystem, providing doctors and staff with information and a smooth workflow to facilitate operations. The system will also help to improve patient safety, reduce unnecessary work, and better manage and analyse data as we begin our transition to being a much larger hospital.

With lockdowns occurring from time to time, THKD continued to expand its telehealth platform Thomson Hospital Online (THO) to include rehab, dietetics, and health screening services. In addition, TMC Fertility and Thomson TCM have also ramped up online consultations via telemedicine platforms so doctors and specialists can continue to provide care to patients from the comfort and safety of their own homes. To complete the entire care process, patients can opt to have prescribed medication safely delivered to their place of residence. Alternatively, innovative services such as medication self-pickup, and drive-through blood testing ensures that patients' treatment plans are not affected over prolonged lockdown periods.

To transform and improve patient experience, THKD rolled out the THKD XperienceFlow app in August 2020 – providing real-time updates to patients throughout their hospital journey: from admissions to discharge for inpatients or as an outpatient. In addition, THKD also implemented a new Queue Management System – Encoremmed in May 2021. The system allows patients to register for appointments at home, and to have a single queue number as they navigate through the hospital and track their queue in real-time from their mobile phones.

In continuing to reach out and strengthen ties to primary care physicians, THKD organised 16 webinars featuring the hospital's consultant specialists. Each webinar saw up to 60 physician participants keep abreast of the latest medical developments and accumulate Continuing Professional Development (CPD) points.



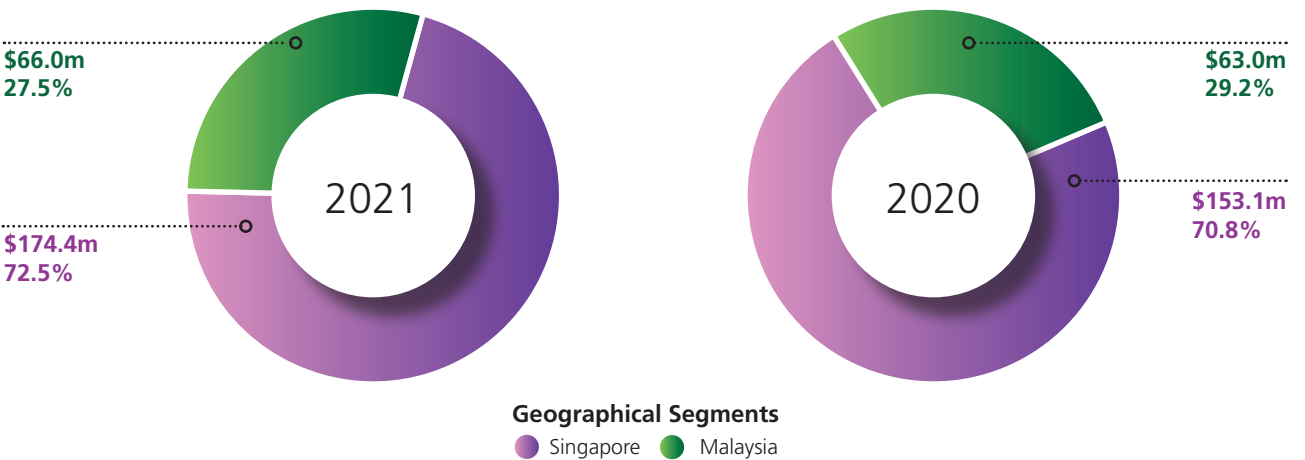
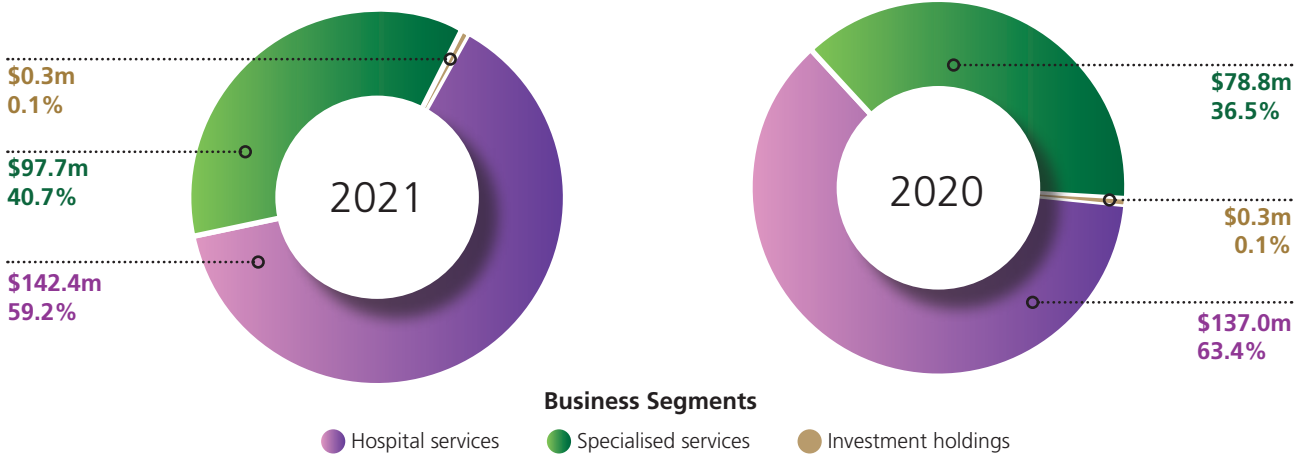
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- 19 Expanding our fertility presence in Malaysia with a new flagship centre at Puchong
- 20 With the expansion wing complete, THKD will now boast 600 beds
- 21 THKD continues to recruit new consultants expanding its range of specialist services
- 22 Through the pandemic, THKD has continually contributed efforts to combat COVID-19

FINANCIAL HIGHLIGHTS

REVENUE CONTRIBUTED BY SEGMENTS



Total Assets

FY2020 \$1,294.3m
FY2021 \$1,285.8m

\$1,285.8m

▼ 0.7%



Net Assets Value per share

FY2020 2.09¢
FY2021 2.14¢

2.14¢

▲ 2.4%



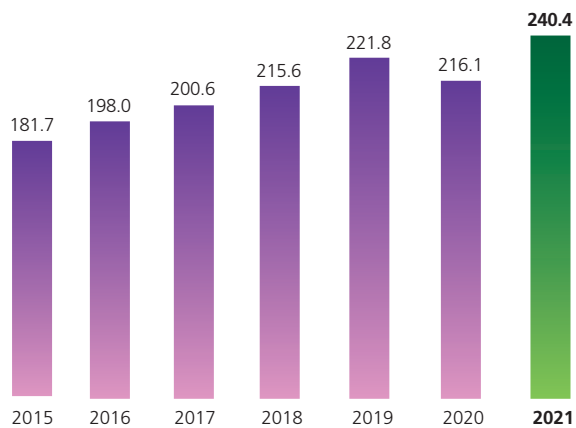
Equity Attributable to Owners

FY2020 \$477.9m
FY2021 \$489.8m

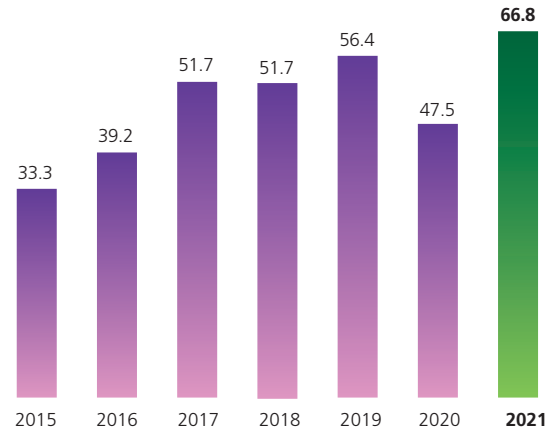
\$489.8m

▲ 2.5%

Revenue (\$million)



EBITDA (\$million)



\$million	2015 (Proforma)	2016 (Proforma)	2017 (Unaudited)	2018 (Audited)	2019 (Unaudited)	2020 (Unaudited)	2021 (Audited)
Financial Performance							
Revenue	181.7	198.0	200.6	215.6	221.8	216.1	240.4
EBITDA ^(a)	33.3	39.2	51.7	51.7	56.4	47.5	66.8
Operating profit ^(a)	23.6	29.2	34.7	40.2	42.0	29.2	48.8
(Loss)/Profit before tax	(14.6)	22.3	27.5	22.0	19.0	(87.5)	26.2
(Loss)/Profit after tax	(19.8)	14.8	21.1	14.7	11.9	(98.0)	16.9
PATMI	(22.1)	12.0	16.3	10.8	8.0	(99.4)	14.2
Financial Position							
Cash and bank balances	140.6	117.9	123.9	121.7	121.3	160.0	122.7
Debt and borrowings	199.1	199.4	199.9	578.3	571.6	649.3	619.4
Total assets	1,600.9	1,518.8	1,514.0	1,489.1	1,312.3 ^(b)	1,294.3	1,285.8
Net assets	733.3	736.5	740.7	784.1	653.4 ^(b)	552.9	566.0
Shareholders' equity	618.1	627.2	625.4	714.0	578.3 ^(b)	477.9	489.8

(a) Adjusted for non-cash impairment and one-off transactions and non-recurring costs.

(b) On 31 January 2019, the Group completed the distribution in-specie by way of capital reduction of its Real Estate Business.

(c) 2015 to 2018 refer to financial years covering the period from 1 January to 31 December.
2019 to 2021 refer to financial years covering the period from 1 July to 30 June.



**STEEPED IN
TRADITION
VESTED IN
THE FUTURE**



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 safeguard the interests of all its stakeholders. 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 2021 (“**FY2021**”) with specific reference to each of the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). The Company has complied with the Code’s principles of corporate governance and also substantially with the provisions underlying the principles of 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 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 Financial Authority Limit Policy (“**FAL**”) 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 FAL covers the authorisation limits of the Group’s activities such as investment activities, financing and debt management and capital and operating expenditure.

CORPORATE GOVERNANCE REPORT

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. Five Board meetings were held during the financial year ended 30 June 2021.

As part of good corporate governance, all Directors are invited to attend meetings held by the ARC and the NRC. 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
Number of Meetings		5	2	2
Number of meetings attended				
Ng Ser Miang	Chairman, Independent, Non-Executive	5	2	2
Dr Wong Chiang Yin	Executive	5	2	2
Wilson Sam	Executive	5	2	2
Heng Kim Chuan Freddie	Non-Executive	5	2	2
Lim Wee Kiat	Non-Executive	5	2	2
Ong Pang Liang	Independent, Non-Executive	5	2	2
Dr Lam Lee G	Independent, Non-Executive	5	2	2

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 FY2021 include:–

- Future of Sustainability Disclosures by The Sustainability Accounting Standards Board (SASB)
- Audit Committee Essentials by SID
- MCCG Revision 2021 - Changing the Game in Corporate Governance

The Board is also 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.

CORPORATE GOVERNANCE REPORT

Access to complete, adequate and timely information

The Board receives complete and adequate reports and discussion papers one week 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

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.

As at the date of this report, the Board comprises 7 Directors, 3 Independent Directors, 2 Non-Executive and Non-Independent Directors and 2 Executive Directors. The Independent Directors make up more than one-third of the Board. The Non-Executive Directors make up a 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	Date of first appointed/last re-appointment as Director	Board	ARC	NRC
Executive Directors				
Dr Wong Chiang Yin	1 February 2020/ 23 October 2020	Member	–	–
Wilson Sam	15 March 2019/ 25 April 2019	Member	–	–
Non-Executive Non-Independent Directors				
Heng Kim Chuan Freddie	25 April 2018/ 25 April 2019	Member	Member	–
Lim Wee Kiat	15 March 2019/ 25 April 2019	Member	–	Member
Independent Directors				
Ng Ser Miang	1 December 2015/ 23 October 2020	Chairman	–	Chairman
Ong Pang Liang	1 January 2016/ 23 October 2020	Member	Chairman	Member
Dr Lam Lee G ⁽¹⁾	2 May 2019/ 23 October 2020	Member	Member	–

(1) Dr Lam was first appointed and resigned from the Board on 26 June 2002 and 25 April 2018 respectively. He was re-appointed to the Board on 2 May 2019

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

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. The Board has a female representation on its Board up to her resignation on 31 January 2019. The Board remains fully supportive of the policy and together with NRC will set the relevant objectives to promote gender diversity to support the long-term success of the Company. 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.

CORPORATE GOVERNANCE REPORT

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 and Dr Lam Lee G and is satisfied that there are no relationships which would deem any of them not to be independent.

With effect from 1 January, 2022, a director will not be independent if he has served for an aggregate of more than 9 years and his continued appointment as an independent director has to be sought and approved in separate resolutions by (a) all shareholders and (b) shareholders, excluding the directors and chief executive officer of the issuer, and associates of such directors and chief executive officer (the “**Two-Tier Voting**”). Such resolutions approved by a Two-Tier Voting may remain in force for three years from the conclusion of the annual general meeting following the passing of the resolutions or the retirement or resignation of the director, whichever the earlier.

The Board has recommended that the approval of the shareholders be sought through a Two-Tier Voting process at the forthcoming AGM for the continuation in office of Dr Lam Lee G, who has served as an Independent Non-Executive Director of the Company for an aggregate term of more than nine years, as an Independent Non-Executive Director of the Company. The Board has determined that Dr Lam Lee G continues to remain objective and independent-minded in Board deliberations. His vast experience enables him to provide the Board and the various Board Committees on which he serves, with pertinent experience and competence to facilitate sound decision-making and that his length of service does not in any way interfere with his exercise of independent judgment nor hinder his ability to act in the best interest of the Company. Dr Lam has abstained from the Board’s deliberation and decision to seek shareholders’ approval.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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.

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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 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 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 Term of Reference approved by the Board.

The NRC currently comprises all Non-Executive Directors, the majority of whom (including the NRC Chairman) are Independent Directors.

The composition of the NRC is as follows:

Ng Ser Miang	Chairman	(Chairman, Non-Executive and Independent Director)
Ong Pang Liang	Member	(Independent Director)
Lim Wee Kiat	Member	(Non-Executive and Non-Independent Director)

The Board 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 twice during the financial year ended 30 June 2021. 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 Term 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;

CORPORATE GOVERNANCE REPORT

- (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 is comprised of 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; and
- Reputation and integrity. 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.

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The NRC is satisfied that for the financial year ended 30 June 2021, 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 recommendation to seek approval from shareholders at the forthcoming AGM to re-elect Mr Wilson Sam and Mr Lim Wee Kiat, who will be retiring under Article 105(2) of the Constitution of the Company and are eligible for re-election. Mr Sam and Mr Lim have consented to re-election. Mr Heng Kim Chuan Freddie who will be also be retiring under Article 105(2) of the Constitution will not be seeking re-election at the forthcoming AGM.

PRINCIPLE 5: BOARD PERFORMANCE

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.

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, such as Board composition, information, process and accountability. 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 and compiled by the Company Secretary into a consolidated report. The report is discussed at the NRC meeting. The NRC with the participation of the Executive Directors will review implementation of improvements in governance practices from past evaluations and any areas where enhancements could be considered. The Board will receive a report of the NRC’s deliberations. The Chairman will act on the results of the performance evaluation and where appropriate, endorse suggested enhancements to the governance practices of the Company and where applicable, on NRC’s recommendation on Board’s composition, propose new members to be appointed to the Board or seek the resignation of Directors.

The NRC has reviewed the evaluations of the Board for FY2021 and is satisfied that the Board has been effective in the conduct of its duties and the Directors have each contributed to the effectiveness of the Board and Board Committee.

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Evaluation of individual Director's performance is a continuous process. For the year under review, the NRC and the Board Chairman took note of each individual Director's attendance at meetings of the Board, Board Committee and at general meetings; participation in discussions at meetings; knowledge of and contacts in the regions where the Group operates; the individual Director's functional expertise and his/her commitment of time to the Company and took such factors into consideration when assessing the performance of the individual Directors.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committee 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

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 has 3 members and is fully made up of Non-Executive Directors, the majority of whom, including the NRC Chairman, are 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 Term 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;
- (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, there was no engagement of remuneration consultant.

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PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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 NRC reviews the framework for Non-Executive Directors' remuneration taking 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. 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. There is no policy to prohibit or require the Non-Executive and Independent Directors to hold shares in the Company. As of 30 June 2021, Mr Ng Ser Miang and Mr Ong Pang Liang, Independent Directors, hold shares in the Company amounting to 0.06% respectively of the total issued shares in the Company (excluding treasury shares). The NRC and the Board are of the view that the holding shares by Non-Executive and Independent Directors of less than 5% of the total issued shares in the Company encourages the alignment of their interests with the interests of shareholders without comprising their independence.

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 approved 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"). The KPIs for individual performance take into consideration the broad categories of objectives, namely financial, business and functional, regulatory and control, and organisational and people development as well as alignment to the Company's risk policies. The NRC has approved the compensation for the Key Management Personnel which was endorsed by the Board.

The Company adopts a remuneration policy for other 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 performance.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

Directors' remuneration

Details of Directors' remuneration for the financial year ended 30 June 2021 are set out below:–

Remuneration band	Number of Directors	
	2021	2020 ⁽¹⁾
\$500,000 and above	2	2
\$250,000 and below \$500,000	–	1
Below \$250,000	5	9

(1) Included pro-rated Directors' remuneration payable to directors who resigned from the Board during the financial period from 1 January 2019 to 30 June 2020

Whilst the Code recommends that the Company fully disclose 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".

Director's compensation

A summary of the compensation for each individual Director for the financial year ended 30 June 2021 is as follows:–

	Directors' Fees (%)	Base/Fixed Salary (%)	Bonus and Other allowances (%)	Employee share options ⁽¹⁾ (%)	Total (%)
Ng Ser Miang	100	–	–	–	100
Dr Wong Chiang Yin	–	89	11	–	100
Wilson Sam	–	86	14	–	100
Heng Kim Chuan Freddie	100	–	–	–	100
Lim Wee Kiat	100	–	–	–	100
Ong Pang Liang	100	–	–	–	100
Dr. Lam Lee G	84 ⁽²⁾	–	–	16	100

Notes:

(1) Relate to the employee share option scheme granted by TMC Life Sciences Bhd. The fair value of these options were estimated at the respective grant dates using the black scholes model

(2) Include director's fee and other allowance received from TMC Life Sciences Bhd.

Mr Lim Wee Kiat is the son of Mr Lim Eng Hock, a controlling shareholder of the Company.

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Key management personnel's remuneration ("KMP")

The Code requires the remuneration of at least the top five key management personnel who are not in the capacity of a Director or the GCEO within bands of \$250,000, to be disclosed. However, due to confidentiality and commercial sensitivities of remuneration matters and the highly competitive environment in the industry, the Company believes that the disclosure of the remuneration of individual executives is disadvantageous to the business interest and long-term performance of the Group.

The Company had also not disclosed the total remuneration paid to its top five key management personnel (who are not Directors or the GCEO) on a named basis or in aggregate, having regard to the sensitive and confidential nature of key executives' remuneration matters and to ensure the Company's competitive advantage in the retention of its key executives.

The remuneration of the Executive Directors has been disclosed under the table for Directors' compensation and is accordingly not included in the table for KMP's remuneration below.

	No of executives	Base/Fixed Salary (%)	Bonus and Other allowances (%)	Employee share options ⁽¹⁾ (%)	Total (%)
\$250,000 and below \$500,000	1	69	27	4	100
\$250,000 and below \$500,000	1	83	17	–	100
\$250,000 and below \$500,000	1	82	18	–	100
\$250,000 and below \$500,000	1	81	19	–	100
Below \$250,000	1	74	26	–	100

Note:

(1) Relate to the employee share option scheme granted by TMC Life Sciences Bhd. The fair value of the option 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.

In addition, the Company has a share incentive scheme known as the "Share Grant Plan 2015" which was approved by 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 have been awarded under the scheme.

Remuneration of employees who are immediate family members of a controlling shareholder or director

No employees who are substantial shareholders of the Company or 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.

CORPORATE GOVERNANCE REPORT

C: ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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 risk committee. The Audit and Risk Committee (“**ARC**”) supports the Board in its oversight of the Group’s system of internal controls and risk management.

The ARC is in turn advised by the internal auditors who review the adequacy and effectiveness of the material internal controls, including financial, operational, compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARC.

During the financial period under review, the ARC had reviewed the reports submitted by the internal auditors relating to the audits conducted to assess the adequacy and the effectiveness of the Company’s internal control systems put in place. Any 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, any control weaknesses 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 Company 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 FY2021 give a true and fair view of the Group’s operations and finances and (b) the GCEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company’s risk management and internal control systems.

PRINCIPLE 10: AUDIT COMMITTEE

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

Mr Ong Pang Liang	Chairman	(Independent Director)
Mr Heng Kim Chuan Freddie	Member	(Non-executive and Non-Independent Director)
Dr Lam Lee G	Member	(Independent Director)

CORPORATE GOVERNANCE REPORT

All members of the ARC are Non-Executive Directors. The Board is of the view that all members of the ARC have sufficient accounting and/or related financial management expertise and experience in discharging their responsibilities as members of the ARC. 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. Two ARC meetings were held during the FY2021.

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 quarterly and annual financial statements.

Specifically, the key responsibilities of the ARC include:-

- (i) review the annual audit plans and audit reports of external and internal auditors;
- (ii) review the half-yearly and full-year financial statements of the Group prior to their submission to the Board;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) 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;
- (vii) 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 objectivity;
- (viii) review interested person transactions ("IPT") to consider whether they are on normal commercial terms and are not prejudicial to the interests of the Group or its minority shareholders; and
- (ix) 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.

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 FY2021 in the Independent Auditor's Report on pages 52 to 56 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.

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 is subject to shareholders' approval at the forthcoming AGM.

Details of the aggregate amount of fees paid to the external auditors for FY2021, and a breakdown of the fees in total for audit and non-audit services respectively, can be found on page 87.

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

Internal Audit

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 Company's internal audit function has been outsourced to BDO LLP. 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 FY2021, 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 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.

CORPORATE GOVERNANCE REPORT

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. 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

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.

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 2020, 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.

The Constitution allows a shareholder who is a relevant intermediary (as defined in the Singapore Companies Act), which includes bank nominees, licensed custodians and the Central Provident Fund ("CPF") Board, to appoint more than two proxies to attend and vote on its behalf at shareholders' meetings. This enables indirect investors including shareholders, who hold the Company's shares through the CPF Investment Scheme and the Supplementary Retirement Scheme, to attend and vote at shareholders' meetings in person. Shareholders who are not relevant intermediaries are allowed to appoint up to two proxies to attend and vote on their behalf at shareholders' meetings.

CORPORATE GOVERNANCE REPORT

The Company's Constitution facilitates shareholders (who are not relevant intermediaries as defined under the Companies Act, Chapter 50) who are in absentia, i.e. unable to attend and vote at general meetings, to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the CPF agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

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 an against each resolution and the respective percentages and the name of the independent scrutineer will be announced via SGXNET immediately after each meeting.

The Company Secretary prepares 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.

Due to the COVID-19 situation, the AGM in 2020 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders could not attend the meeting in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on the Company's corporate website and on SGXNET. In view of the continuing COVID-19 situation, the Company will conduct the forthcoming annual general meeting in similar manner.

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

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.

CORPORATE GOVERNANCE REPORT

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, 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 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 will be released in November 2021. 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.

OTHER INFORMATION

Material contracts

During FY2021 there were no material contracts exceeding \$100,000, entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder.

Interested person transactions

Interested Person Transactions are executed on fair terms and at arm's length regardless of nature and size. Where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Company has adopted an IPT policy that sets out the procedure of monitoring, reviewing and approving IPTs in the Group to ensure that IPTs entered into are conducted on normal terms and are not prejudicial to the interest of the shareholders.

The Key Management Personnel regularly review the IPT entered into by the Group to verify the accuracy and completeness of the IPT disclosure and ensure compliance with the SGX reporting requirements under Chapter 9 of the SGX Listing Manual. All Interested Persons Transactions are reported to the ARC and Board on a quarterly basis. The ARC has reviewed the IPTs entered into during the financial year by the Company.

The Group does not have shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual.

In compliance with SGX-ST Listing Rules, the Company confirms that IPTs did not exceed \$100,000 during FY2021.

CORPORATE GOVERNANCE REPORT

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 and to those with access to price-sensitive or trade-sensitive and confidential information. All Directors of the Company and its subsidiaries are required to report all dealings to the Company Secretary.

Use of proceeds

Pursuant to the exercise of the Bonus Warrants which was expired on 24 April 2019, the Company received a gross proceed of \$29.5 million which will be used in accordance to the uses as disclosed in the Circular dated 28 February 2018. On 31 May 2021, the Company has utilised \$10 million of the proceeds towards repayment of bank borrowings.

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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 2021.

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 2021 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
Dr Wong Chiang Yin
Wilson Sam
Heng Kim Chuan Freddie
Lim Wee Kiat
Ong Pang Liang
Dr Lam Lee G

In accordance with Article 105(2) of the Constitution of the Company, Mr. Wilson Sam and Mr. Lim Wee Kiat have retired and, being eligible, have offered themselves for re-election. Mr. Heng Kim Chuan Freddie, who will also be retiring under Article 105(2) of the Constitution, will not be seeking 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 Singapore Companies Act, Chapter 50, 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 2020	As at 30 June 2021	As at 1 July 2020	As at 30 June 2021
The Company				
Thomson Medical Group Limited				
(a) <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	–	–
(b) <i>Piggyback Warrants¹</i>				
Ng Ser Miang	6,000,000	6,000,000	4,400,000	4,400,000
Ong Pang Liang	10,000,000	10,000,000	–	–
Subsidiary of the Company				
TMC Life Sciences Berhad				
<i>Employees' share option scheme²</i>				
Dr Lam Lee G	–	2,000,000	–	–

(1) The Company issued and allotted a total of 369,266,062 Piggyback Warrants to the Warrantheolders in relation to the Bonus Warrants exercised pursuant to the Circular dated 28 February 2018. The Piggyback Warrants entitles the Warrantheolders to subscribe for one (1) ordinary share in the share capital of the Company at an adjusted exercise price of \$0.11 in cash. The Piggyback Warrants will expire on 24 April 2022.

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2021.

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 at the end of the financial year.

Share options

TMG Group Share Option Scheme 2012 (the Scheme)

The Scheme was approved and adopted by its members at an Extraordinary General Meeting held on 26 June 2012. As at the date of this report, the Scheme is administered by the Nominating and Remuneration Committee.

During the financial year, there were:

- (i) No options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) No shares issued by virtue of any exercise of options to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under the Scheme.

DIRECTORS' STATEMENT

Share options (cont'd)

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 2021 are as follows:

Expiry date	Exercise Price (MYR)	Number of options
28 May 2025	0.75	18,611,000
28 May 2025	0.94	5,470,000
		24,081,000

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.

Share incentive

The Share Grant Plan 2015 (the Plan) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 29 April 2015. The Plan is administered by the Nominating and Remuneration Committee.

During the financial year, there were no shares awarded by the Company to any person pursuant to the release of awards granted under the Plan.

DIRECTORS' STATEMENT

Warrants

The Company issued and allotted a total of 369,266,062 Piggyback Warrants to the Warrantheolders in relation to the Bonus Warrants exercised pursuant to the Circular dated 28 February 2018. The Piggyback Warrants entitles the Warrantheolders to subscribe for one (1) ordinary share in the share capital of the Company at an adjusted exercise price of \$0.11 in cash. The Piggyback Warrants will expire on 24 April 2022.

Audit and Risk Committee

The Audit and Risk Committee (ARC) carried out its functions in accordance with Section 201B (5) of the Companies Act, Chapter 50, 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 Wong Chiang Yin
Director

Wilson Sam
Director

Singapore
27 August 2021

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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 2021, 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, Chapter 50 (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 the financial position of the Company as at 30 June 2021 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.

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

As at 30 June 2021, the carrying value of the Group's goodwill arising from the acquisition of BB Waterfront Sdn Bhd (BBWF) amounted to \$62,470,000. The carrying value of BBWF's property and equipment, which comprise mainly freehold land located in Johor Bahru, Malaysia, amounted to \$88,304,000. The aggregate value of goodwill and property and equipment attributable to BBWF represents 11.7% of the Group's total assets.

Cash-generating units (CGUs) to which the goodwill and property and equipment have been allocated are tested for impairment annually and whenever there is an indication that the carrying value of the CGU may be impaired. For the purpose of the impairment assessment, management has identified BBWF as a CGU.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

Key audit matters (cont'd)

Carrying value of goodwill and property and equipment attributable to BB Waterfront Sdn Bhd (cont'd)

Management has prepared value in use (VIU) calculations in assessing the recoverable amount of BBWF. The VIU calculations are prepared using cash flow projections from financial budgets approved by management covering a fifteen-year period which comprises an initial five-year period of construction and development, followed by a ten-year period of medical hub operations and an imputed terminal growth thereafter. This assessment requires management to make judgements over certain key inputs for the projections in relation to growth rates, pre-tax discount rates and market share assumptions.

Given the significance of the goodwill and property and equipment attributable to BBWF, 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, reviewing management's assessment of the recoverable amount of BBWF. This includes assessing the reasonableness of the key assumptions used in the VIU calculations in relation to growth rates and market share, and comparing these assumptions against historical trends of the Group's existing healthcare operations in Malaysia, as well as available industry data in relation to comparable healthcare entities in Malaysia. In view that the VIU calculations cover a fifteen-year period, with an initial five-year period of construction and development, we have reviewed management's assessment of the impact of the COVID-19 pandemic on the progress of construction and development and compared the actual costs incurred and estimated costs to complete against the total budgeted costs. We also assessed the reasonableness of the pre-tax discount rate used to determine the present value of the recoverable amount of BBWF by comparing to external observable data, with the assistance of our internal valuation specialists. We further reviewed management's analysis of the sensitivity of the recoverable amount to reasonable changes in the key assumptions, including applying the higher end of the range of pre-tax discount rates, as reviewed by our internal valuation specialists, to the VIU calculations.

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 13 Property and equipment, Note 2.8 and Note 14 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.

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

As at 30 June 2021, the Group's investment properties and development property located in Johor Bahru, Malaysia, amounted to \$101,378,000 and \$95,498,000 respectively, which in aggregate represented 15.3% 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 2021, the Group recorded an aggregate accumulated impairment loss of \$60,034,000 and \$56,212,000 on the investment properties and development property respectively.

The carrying amount of these assets are reviewed annually by management to assess whether there are indicators of impairment and if there are such indicators, an estimate is made for the recoverable amount of the assets concerned. 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 in light of the COVID-19 pandemic.

Given the magnitude of these assets, and significant judgement and heightened level of estimation uncertainty associated with the market and economic conditions prevailing 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

Key audit matters (cont'd)

Carrying value of investment properties and development property located in Johor Bahru, Malaysia (cont'd)

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 in light of the COVID-19 pandemic.

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 15 Investment properties, Note 2.10 and Note 19 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 and Statistics of Piggyback Warranholdings, 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.

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 and Statistics of Piggyback Warranholdings, 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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.
- 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.



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2021

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

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

27 August 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 30 June 2021

	Note	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Continuing operations			
Revenue	4	240,398	327,798
Other income	5	11,939	12,836
Inventories and consumables used		(49,502)	(70,282)
Staff costs	8	(74,880)	(101,151)
Depreciation and amortisation expenses		(17,954)	(26,039)
Other operating expenses		(61,189)	(188,567)
Profit/(loss) from operating activities		48,812	(45,405)
Finance income		980	3,931
Finance costs	6	(23,610)	(38,045)
Net finance costs		(22,630)	(34,114)
Profit/(loss) before taxation from continuing operations	7	26,182	(79,519)
Income tax expense	10	(9,272)	(14,397)
Profit/(loss) from continuing operations, net of tax		16,910	(93,916)
Discontinued operation			
Loss from discontinued operation, net of tax	11	–	(2,260)
Profit/(loss) for the year/period		16,910	(96,176)
Attributable to:			
Owners of the Company, net of tax			
Profit/(loss) from continuing operations		14,237	(96,991)
Loss from discontinued operation		–	(2,205)
Profit/(loss) for the year/period attributable to owners of the Company		14,237	(99,196)
Non-controlling interests, net of tax			
Profit from continuing operations		2,673	3,075
Loss from discontinued operation		–	(55)
Profit for the year/period attributable to non-controlling interests		2,673	3,020
Earnings/(loss) per share from continuing operations attributable to owners of the Company (cents per share)			
Basic and diluted	12	0.054	(0.368)
Earnings/(loss) per share (cents per share)			
Basic and diluted	12	0.054	(0.376)

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 2021

	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Profit/(loss) for the year/period	16,910	(96,176)
Other comprehensive income:		
<u>Item that will not be reclassified to profit or loss</u>		
Net change in fair value of equity instruments at fair value through other comprehensive income (FVOCI)	–	62
<u>Item that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	(2,990)	(7,432)
Other comprehensive income for the year/period, net of tax	(2,990)	(7,370)
Total comprehensive income for the year/period	13,920	(103,546)
Attributable to:		
Owners of the Company		
Continuing operations, net of tax	11,944	(102,547)
Discontinued operation, net of tax	–	(2,260)
Total comprehensive income for the year/period attributable to owners of the Company	11,944	(104,807)
Non-controlling interests		
Continuing operations, net of tax	1,976	1,261
Discontinued operation, net of tax	–	–
Total comprehensive income for the year/period attributable to non-controlling interests	1,976	1,261

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Non-current assets					
Property and equipment	13	435,192	406,085	98	177
Intangible assets	14	486,749	487,453	–	–
Investment properties	15	102,115	102,012	–	–
Right-of-use assets	16	11,254	13,001	799	266
Investment in subsidiaries	17	–	–	2,214,498	2,218,464
		1,035,310	1,008,551	2,215,395	2,218,907
Current assets					
Development property	19	95,498	96,058	–	–
Inventories	20	5,399	6,151	–	–
Trade and other receivables	21	26,893	23,580	614,242	395,080
Cash and short-term deposits	22	122,678	159,975	57,723	95,292
		250,468	285,764	671,965	490,372
Total assets		1,285,778	1,294,315	2,887,360	2,709,279
Current liabilities					
Contract liabilities	4	3,663	3,595	–	–
Trade and other payables	23	65,601	57,684	8,456	8,657
Income tax payable		7,945	6,591	–	–
Interest-bearing loans and borrowings	24	321	20	–	–
Lease liabilities	25	5,796	5,605	234	252
		83,326	73,495	8,690	8,909
Net current assets		167,142	212,269	663,275	481,463

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current liabilities					
Deferred tax liabilities	26	10,618	10,298	–	–
Interest-bearing loans and borrowings	24	619,084	649,241	562,765	398,171
Lease liabilities	25	5,874	7,789	530	21
Provisions	27	842	632	35	–
		636,418	667,960	563,330	398,192
Total liabilities		719,744	741,455	572,020	407,101
Net assets					
		566,034	552,860	2,315,340	2,302,178
Equity attributable to owners of the Company					
Share capital	28	2,364,497	2,364,497	2,364,497	2,364,497
Retained earnings/(accumulated losses)		98,264	84,027	(49,157)	(62,319)
Other reserves	29	(1,972,921)	(1,970,628)	–	–
		489,840	477,896	2,315,340	2,302,178
Non-controlling interests		76,194	74,964	–	–
Total equity		566,034	552,860	2,315,340	2,302,178
Total equity and liabilities		1,285,778	1,294,315	2,887,360	2,709,279

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 2021

Group	Attributable to owners of the Company						Non-controlling interests \$'000
	Equity, total \$'000	Equity attributable to owners of the Company \$'000	Share capital (Note 28) \$'000	Merger reserve (Note 29) \$'000	Foreign currency translation reserve (Note 29) \$'000	Capital reserve (Note 29) \$'000	
Opening balance at 1 July 2020	552,860	477,896	2,364,497	(1,842,369)	(81,131)	(47,128)	74,964
Profit for the year	16,910	14,237	–	–	–	–	2,673
Other comprehensive income	(2,990)	(2,293)	–	–	(2,293)	–	(697)
Foreign currency translation							
Other comprehensive income for the year, net of tax	(2,990)	(2,293)	–	–	(2,293)	–	(697)
Total comprehensive income for the year	13,920	11,944	–	–	(2,293)	–	1,976
Contributions by and distributions to owners							
Grant of equity-settled share options to employees	65	–	–	–	–	–	65
Dividends paid to non-controlling interests of a subsidiary	(811)	–	–	–	–	–	(811)
Total contributions by and distributions to owners	(746)	–	–	–	–	–	(746)
Closing balance at 30 June 2021	566,034	489,840	2,364,497	(1,842,369)	(83,424)	(47,128)	76,194

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 2021

Attributable to owners of the Company

	Equity, total \$'000	Equity attributable to owners of the Company \$'000	Share capital (Note 28) \$'000	Merger reserve (Note 29) \$'000	Foreign currency translation reserve (Note 29) \$'000	Capital reserve (Note 29) \$'000	Warrant reserve (Note 29) \$'000	Fair value reserve \$'000	Retained earnings \$'000	Reserve of disposal group classified as held for distribution (Note 11) \$'000	Non- controlling interests \$'000
Group											
Opening balance at 1 January 2019	784,133	714,038	2,772,209	(1,842,369)	(85,867)	(46,586)	15,426	-	(97,499)	(1,276)	70,095
(Loss)/profit for the period	(96,176)	(99,196)	-	-	-	-	-	-	(99,196)	-	3,020
Other comprehensive income											
Net change in fair value of equity instruments at FVOCI	62	62	-	-	-	-	-	62	-	-	-
Foreign currency translation	(7,432)	(5,673)	-	-	(5,673)	-	-	-	-	-	(1,759)
Other comprehensive income for the period, net of tax	(7,370)	(5,611)	-	-	(5,673)	-	-	62	-	-	(1,759)
Total comprehensive income for the period	(103,546)	(104,807)	-	-	(5,673)	-	-	62	(99,196)	-	1,261
Contributions by and distributions to owners											
Shares issued on conversion of warrants	29,455	29,455	29,455	-	-	-	-	-	-	-	-
Non-cash distribution to owners of the Company (Note 1.2)	(150,475)	(153,638)	(155,973)	-	10,089	-	-	-	(9,288)	1,534	3,163
Capital reduction (Note 1.2)	-	-	(281,194)	-	-	-	-	-	281,194	-	-
Grant of equity-settled share options to employees	159	-	-	-	-	-	-	-	-	-	159
Conversion of warrants in a subsidiary	1,331	-	-	-	-	-	-	-	-	-	1,331
Dividends on ordinary shares (Note 35)	(6,610)	(6,610)	-	-	-	-	-	-	(6,610)	-	-
Dividends paid to non-controlling interests of a subsidiary	(1,587)	-	-	-	-	-	-	-	-	-	(1,587)
Total contributions by and distributions to owners	(127,727)	(130,793)	(407,712)	-	10,089	-	-	-	265,296	1,534	3,066

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 2021

Company	Equity, total \$'000	Share capital (Note 28) \$'000	Accumulated losses \$'000
Opening balance at 1 July 2020	2,302,178	2,364,497	(62,319)
Profit for the year, representing total comprehensive income for the year	13,162	–	13,162
Closing balance at 30 June 2021	2,315,340	2,364,497	(49,157)
Opening balance at 1 January 2019	2,490,008	2,772,209	(282,201)
Loss for the period, representing total comprehensive income for the period	(53,962)	–	(53,962)
<u>Contributions by and distributions to owners</u>			
Shares issued on conversion of warrants	29,455	29,455	–
Non-cash distribution to owners of the Company (Note 1.2)	(156,713)	(155,973)	(740)
Capital reduction (Note 1.2)	–	(281,194)	281,194
Dividends on ordinary shares (Note 35)	(6,610)	–	(6,610)
Total contributions by and distributions to owners	(133,868)	(407,712)	273,844
Closing balance at 30 June 2020	2,302,178	2,364,497	(62,319)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2021

	Note	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Operating activities			
Profit/(loss) before taxation from continuing operations		26,182	(79,519)
Loss before taxation from discontinued operation	11	–	(2,225)
Profit/(loss) before taxation, total		26,182	(81,744)
<u>Adjustments for:</u>			
Allowance for expected credit losses on trade receivables, net		409	491
Amortisation of financing fees on borrowings		1,408	2,060
Depreciation of property and equipment and investment properties		10,662	16,047
Depreciation of right-of-use assets	16	6,875	9,575
Amortisation of intangible assets	14	417	744
Fair value changes on purchase consideration payable		–	25
Loss on disposal of property and equipment		185	851
Property and equipment written off		17	10
Impairment loss on development and investment properties		–	93,415
Share of results of associates from discontinued operation		–	86
Finance income		(980)	(3,931)
Finance costs		22,202	35,985
Unrealised exchange loss/(gain)		17	(32)
Grant of equity-settled share options to employees		65	159
Total adjustments		41,277	155,485
Operating cash flows before changes in working capital		67,459	73,741
<u>Changes in working capital:</u>			
Decrease/(increase) in inventories		730	(617)
(Increase)/decrease in trade and other receivables		(4,844)	4,571
Increase in trade and other payables and contract liabilities		3,423	11,285
Total changes in working capital		(691)	15,239
Cash flows from operations		66,768	88,980
Interest income received		1,025	3,931
Income taxes paid		(6,540)	(14,314)
Net cash flows generated from operating activities		61,253	78,597

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 2021

	Note	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Investing activities			
Expenditure on investment properties	15	–	(835)
Purchase of property and equipment	A	(37,290)	(75,427)
Purchase of intangible assets	14	(340)	(418)
Proceeds from disposal of property and equipment		58	194
Net cash outflow on distribution of Real Estate Business		–	(24,101)
Net cash flows used in investing activities		(37,572)	(100,587)
Financing activities			
Proceeds from exercise of warrants		–	29,455
Proceeds from exercise of warrants issued by a subsidiary		–	1,331
Repayment of interest-bearing loans and borrowings		(285,160)	(354,802)
Decrease in amount due to the ultimate controlling shareholder		–	(9,811)
Proceeds from interest-bearing loans and borrowings		254,256	423,990
Changes in pledged deposits		1,881	(5,888)
Dividends paid on ordinary shares	35	–	(6,610)
Dividends paid to non-controlling interests of subsidiaries		(811)	(1,587)
Payment of principal portion of lease liabilities		(6,736)	(9,150)
Interest paid		(22,251)	(35,986)
Net cash flows (used in)/generated from financing activities		(58,821)	30,942
Net (decrease)/increase in cash and cash equivalents		(35,140)	8,952
Effect of exchange rate changes on cash and cash equivalents		(276)	(356)
Cash and cash equivalents at beginning of the year/period		147,507	138,911
Cash and cash equivalents at end of the year/period	22	112,091	147,507

A. Purchase of property and equipment

During the current financial year ended 30 June 2021, the Group acquired property and equipment with an aggregate cost of \$42,153,000 (2020: \$80,252,000) by way of cash payments of \$37,290,000 (2020: \$75,427,000), increase in provision for restoration costs of \$10,000 (2020: \$310,000) and other payables of \$4,853,000 (2020: \$4,515,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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 17 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 27 August 2021.

1.2 Non-cash distribution and capital reduction

On 31 January 2019, the Company completed the distribution of all its shares in its wholly-owned subsidiary, RSP Holdings Pte Ltd (RSPH) by way of capital reduction amounting to \$155,973,000. RSPH has been classified as discontinued operation as at 31 December 2018.

On 31 January 2019, the Company also completed a further capital reduction to write-off accumulated losses amounting to \$281,194,000.

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 period 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 2020. 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 2021

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) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to SFRS(I) 3: <i>Reference to Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale of Contribution of Assets between and 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 2021

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.
- 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property and equipment (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Intangible assets (cont'd)

(a) *Goodwill (cont'd)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Intangible assets (cont'd)

(b) *Other intangible assets (cont'd)*

(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.

(iv) *Brand name*

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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

Investments in debt instruments (at amortised cost)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(b) *Financial liabilities (cont'd)*

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.

2.15 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 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.

2.18 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.

2.19 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.

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 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.

(b) *Employee share option plans*

Certain employees of a subsidiary receive remuneration in the form of share options as consideration for services rendered. These share options are denominated in Malaysian Ringgit. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options 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 employee share option 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 options 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 employee benefits expense.

The employee share option reserve is transferred to retained earnings upon expiry of the share option.

(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.

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Leases (cont'd)

Group as a lessee (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Leases (cont'd)

Group as a lessee (cont'd)

Lease liabilities (cont'd)

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 2.23(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.23 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Revenue (cont'd)

(a) *Rendering of services (cont'd)*

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.

2.24 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.25 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.

2.26 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

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 14 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 14 to the financial statements.

The carrying amount of goodwill as at 30 June 2021 is \$486,043,000 (2020: \$486,666,000).

(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 14 to the financial statements in conjunction with the impairment of goodwill allocated to BBWF.

As at 30 June 2021, the carrying value of BBWF's property and equipment amounted to \$88,304,000 (2020: \$87,108,000).

(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 2021 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 2021, the Group's investment properties and development property located within the Iskandar Development Region, Johor Bahru, amounted to \$101,378,000 (2020: \$102,012,000) and \$95,498,000 (2020: \$96,058,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

4. REVENUE

(a) Disaggregation of revenue

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
<u>Major product or service lines</u>		
Rendering of services, including sale of goods	237,316	323,329
Rental income	3,082	4,469
	240,398	327,798
<u>Timing of revenue recognition</u>		
At a point in time	233,646	317,617
Over time	6,752	10,181
	240,398	327,798

For further disaggregation disclosure of revenue by business and geographical segments – refer to Note 34.

(b) Contract balances

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2021 \$'000	2020 \$'000
Trade receivables (Note 21)	12,504	6,530
Contract liabilities	3,663	3,595

The Group has recognised allowance for expected credit losses on receivables arising from contracts with customers amounting to \$409,000 (2020: \$491,000) 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/period are as follows:

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Healthcare services		
Revenue recognised that was included in the contract liability balance at the beginning of the year/period	2,932	1,315
Revenue recognised during the year/period	9,889	15,551
Discontinued operation – Architectural and engineering services		
Revenue recognised during the year/period	–	37,142
Progress billings issued	–	(37,821)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

5. OTHER INCOME

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Employment credits	4,456	4,186
Sponsorship income	3,154	4,982
Property tax and rental rebates	2,878	1,650
Administrative and membership income	902	1,377
Others	549	641
	11,939	12,836

Employment credits include the Special Employment Credit, the Wage Credit Scheme and the Jobs Support Scheme. The Special Employment Credit was introduced by the Singapore Government to support employers as well as to raise the employability of older low-wage Singaporeans. The 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. The Jobs Support Scheme was to provide wage support to employers to help them retain their local employees during the period of economic uncertainty.

6. FINANCE COSTS

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Interest expense:		
– Loans and borrowings	21,725	35,167
– Interest on lease liabilities	477	818
– Amortisation of financing fees	1,408	2,060
	23,610	38,045

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

7. PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS

The following items have been included in arriving at profit/(loss) before taxation from continuing operations:

	Note	Group	
		1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Audit fees:			
– Auditor of the Company		303	738
– Other auditors		11	31
Non-audit fees:			
– Auditor of the Company		145	229
– Other auditors		5	7
Allowance for expected credit losses on trade receivables		409	481
Bad debts written off		–	10
Depreciation of property and equipment	13	10,608	15,760
Depreciation of investment properties	15	54	29
Depreciation of right-of-use assets	16	6,875	9,575
Amortisation of intangible assets	14	417	675
Directors' fees	9	299	477
Impairment loss on development and investment properties	15, 19	–	93,415
Inventories recognised as an expense in profit or loss	20	36,274	49,527
Net loss on disposal of property and equipment		185	851
Lease expense relating to short-term leases and leases of low-value assets	16	79	1,326
Professional fees paid to doctors		39,092	55,742

8. STAFF COSTS

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Salaries and bonuses	59,037	76,764
Defined contribution plans	7,557	10,984
Share-based compensation expenses	65	36
Other short-term benefits	8,221	13,367
	74,880	101,151

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 2021

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 2021 are as follows:

Date of issue	No. of share options outstanding	Exercise Price (MYR)	Vesting period
11 June 2015	4,000,000	0.75	9.96 years
28 August 2015	4,611,000	0.75	9.75 years
25 January 2017	3,470,000	0.94	8.34 years
26 September 2018	2,000,000	0.94	6.67 years
17 November 2020	10,000,000	0.75	4.53 years
	<u>24,081,000</u>		

Movements in the number of share options and their related weighted average exercise prices (WAEP) are as follows:

	1 Jul 2020 to 30 Jun 2021		1 Jan 2019 to 30 Jun 2020	
	No.	WAEP (MYR)	No.	WAEP (MYR)
Outstanding at beginning of the year/period	18,116,000	0.81	27,128,000	0.83
– Granted	10,000,000	0.75	–	–
– Forfeited	(4,035,000)	0.75	(9,012,000)	0.89
Outstanding at end of the year/period	<u>24,081,000</u>	<u>0.79</u>	<u>18,116,000</u>	<u>0.81</u>
Exercisable at end of the year/period	<u>24,081,000</u>	<u>0.79</u>	<u>18,116,000</u>	<u>0.81</u>

- The weighted average fair value of options granted during the financial year was MYR 0.07 (2020: nil).
- There were no options exercised during the financial year.
- The weighted average remaining contractual life for options outstanding at the end of the year/period is 3.9 (2020: 4.9) years.

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:

	17 Nov 2020	26 Sep 2018	19 Dec 2017	25 Jan 2017	28 Aug 2015	11 Jun 2015
Dividend yield (%)	0.38	0.21	0.21	0.16	0.57	0.57
Expected volatility (%)	29.81	20.94	22.06	17.79	36.73	36.73
Risk-free interest rate (% p.a.)	2.11	3.44	3.19	3.40	3.91	3.63
Weighted average share price (MYR)	<u>0.54</u>	<u>0.74</u>	<u>0.94</u>	<u>0.94</u>	<u>0.51</u>	<u>0.63</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

8. STAFF COSTS (CONT'D)

TMCLS Employees' Share Option Scheme (ESOS) (cont'd)

Fair values of share options granted (cont'd)

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.

9. RELATED PARTY DISCLOSURES

In addition to those related party information disclosed elsewhere in the financial statements, the following are the significant related party transactions entered into by the Group in the ordinary course of business on terms agreed between the parties during the financial year/period:

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
<u>With affiliates</u>		
Purchase of services	–	(491)
<u>With ultimate controlling shareholder</u>		
Hotel apartment fee	–	72

Compensation of directors and key management personnel

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Directors' fees	299	477
Salaries and short-term employee benefits	3,234	4,606
Share-based payments	14	62
	3,547	5,145
<i>Comprise amounts paid to:</i>		
Directors of the Company	1,601	2,232
Other key management personnel	1,946	2,913
	3,547	5,145

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

10. INCOME TAX EXPENSE

(a) *Major components of income tax expense*

The major components of income tax expense for the financial year/period ended 30 June 2021 and 2020 are:

	Note	Group	
		1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
<i>Consolidated statement of profit or loss:</i>			
Current income tax – continuing operations			
– current income taxation		8,850	10,960
– under provision in respect of previous years		54	13
		8,904	10,973
Deferred income tax – continuing operations			
– origination and reversal of temporary differences		358	(139)
– effect of changes in tax rate on real property gains tax		–	3,148
– under provision in respect of previous years		10	415
	26	368	3,424
Income tax expense attributable to continuing operations		9,272	14,397
Income tax expense attributable to discontinued operation	11	–	35
Income tax expense recognised in profit or loss		9,272	14,432

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

10. INCOME TAX EXPENSE (CONT'D)

(b) Relationship between tax expense and profit/(loss) before taxation

A reconciliation between tax expense and the product of profit/(loss) before taxation multiplied by the applicable corporate tax rate for the financial year/period ended 30 June 2021 and 2020 is as follows:

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Profit/(loss) before taxation from continuing operations	26,182	(79,519)
Loss before taxation from discontinued operation (Note 11)	–	(2,225)
Total profit/(loss) before taxation	26,182	(81,744)
Tax at the domestic rates applicable to profits in the countries where the Group operates	5,034	(12,885)
Adjustments:		
Non-deductible expenses	5,151	24,713
Income not subject to taxation	(690)	(565)
Deferred tax assets not recognised	163	131
Effect of partial tax exemption and tax relief	(193)	(245)
Effect of changes in tax rate on real property gains tax	–	3,148
Under provision in respect of previous years	64	499
Benefits from previously unrecognised tax losses	(62)	(174)
Others	(195)	(190)
	9,272	14,432

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

11. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION

On 31 January 2019, the Group completed the distribution in-specie by way of capital reduction of its Real Estate Business (REB) to its shareholders as set out in the circular to shareholders dated 12 November 2018. Under the distribution, the Group's REB comprising both the design and engineering and hospitality businesses which was restructured under RSP Holdings Pte Ltd (RSP) was distributed to the Company's shareholders on the basis of one RSP share for every one ordinary share held in the Company.

The assets and liabilities related to the REB was presented in the consolidated statement of financial position as at 31 December 2018 as "Assets of disposal group classified as held for distribution" and "Liabilities directly associated with disposal group as held for distribution". The results of the REB for the period up till the completion of the distribution was presented separately in profit or loss as "Loss from discontinued operation, net of tax".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

11. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION (CONT'D)

Statement of financial position disclosures

Major classes of assets and liabilities of the Real Estate Business classified as held for distribution and the related reserves as at 31 January 2019 is as follows:

	31 Jan 2019
	\$'000
<i>Assets:</i>	
Property and equipment	45,065
Intangible assets	42,574
Investment in associates	24,829
Other investments	1,110
Deferred tax assets	565
Contract assets	25,586
Inventories	179
Trade and other receivables	44,194
Cash and short-term deposits	24,101
Assets of disposal group classified as held for distribution	<u>208,203</u>
<i>Liabilities:</i>	
Contract liabilities	(5,122)
Trade and other payables	(25,001)
Income tax payable	(31)
Purchase consideration payable	(653)
Interest-bearing loans and borrowings	(22,844)
Deferred tax liabilities	(2,272)
Liabilities directly associated with disposal group classified as held for distribution	<u>(55,923)</u>
Net assets directly associated with disposal group classified as held for distribution	<u>152,280</u>
<i>Reserves:</i>	
Fair value reserve	412
Foreign currency translation reserve	1,319
Statutory reserve	(197)
	<u>1,534</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

11. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION (CONT'D)

Statement of comprehensive income disclosures

The results of the Real Estate Business for the financial period ended 30 June 2020 are as follows:

	1 Jan 2019 to 30 Jun 2020 \$'000
Revenue	7,036
Other income	1,188
Staff costs	(6,244)
Depreciation and amortisation expenses	(327)
Other operating expenses	(3,732)
Share of results of associates, net of tax	(86)
Results from operating activities	(2,165)
Finance income	12
Finance costs	(72)
Loss before taxation from discontinued operation	(2,225)
Income tax expense	(35)
Loss from discontinued operation, net of tax	(2,260)

Statement of cash flows disclosures

The cash flows attributable to the Real Estate Business are as follows:

	1 Jan 2019 to 30 Jun 2020 \$'000
Operating	1,355
Investing	(349)
Financing	11
Net cash inflows	1,017

Loss per share disclosures

	1 Jan 2019 to 30 Jun 2020 \$'000
Loss per share from discontinued operation attributable to owners of the Company (cents per share)	
Basic	(0.008)
Diluted	(0.008)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

11. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION (CONT'D)

Loss per share disclosures (cont'd)

The basic and diluted loss per share from discontinued operation are calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These losses and share data are presented in the tables in Note 12.

12. EARNINGS/(LOSS) PER SHARE

Continuing operations

Basic earnings/(loss) per share from continuing operations are calculated by dividing profit/(loss) from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year/period.

Diluted earnings/(loss) per share from continuing operations are calculated by dividing profit/(loss) from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year/period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share for the year/period ended 30 June 2021 and 2020:

	Group	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Profit/(loss) for the year/period attributable to owners of the Company	14,237	(99,196)
<i>Add back:</i> Loss from discontinued operation, net of tax, attributable to owners of the Company	–	2,205
Profit/(loss) from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings/(loss) per share from continuing operations	14,237	(96,991)

	Group	
	1 Jul 2020 to 30 Jun 2021 No. of shares \$'000	1 Jan 2019 to 30 Jun 2020 No. of shares \$'000
Weighted average number of ordinary shares for basic and diluted earnings/(loss) per share computation	26,441,017	26,382,000

The basic and diluted earnings per share are the same as there were no dilutive potential ordinary shares.

The effect of the piggyback warrants issued are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

13. PROPERTY AND EQUIPMENT

	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
Group Cost										
At 1 January 2019	213,664	22,448	66,064	21,161	5,308	58,897	4,068	672	21,286	413,568
Additions	-	-	50	5,084	226	7,372	730	-	66,430	79,892
Disposals/write off	-	-	-	(866)	(54)	(2,674)	(140)	-	(7)	(3,741)
Reclassifications from construction-in-progress	-	-	(7)	323	-	190	-	-	(506)	-
Exchange differences	(774)	(293)	(324)	(90)	(22)	(373)	(53)	(2)	(995)	(2,926)
At 30 June 2020	212,890	22,155	65,783	25,612	5,458	63,412	4,605	670	86,208	486,793
Accumulated depreciation										
At 1 January 2019	-	1,544	10,644	9,480	3,847	38,758	3,459	358	-	68,090
Charge for the period	-	355	4,633	3,591	490	6,070	527	94	-	15,760
Disposals/write off	-	-	-	(207)	(49)	(2,294)	(137)	-	-	(2,687)
Exchange differences	-	(24)	(87)	(44)	(14)	(237)	(48)	(1)	-	(455)
At 30 June 2020	-	1,875	15,190	12,820	4,274	42,297	3,801	451	-	80,708
Net carrying amount										
At 30 June 2020	212,890	20,280	50,593	12,792	1,184	21,115	804	219	86,208	406,085

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

13. PROPERTY AND EQUIPMENT (CONT'D)

Group	Freehold land \$'000	Long-term leasehold land \$'000	Building and improve-ments \$'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
Cost										
At 1 July 2020	212,890	22,155	65,783	25,612	5,458	63,412	4,605	670	86,208	486,793
Additions	-	-	9	1,024	77	2,264	230	13	38,536	42,153
Disposals/write off	-	-	-	(1,573)	(101)	(1,750)	(4)	(6)	-	(3,434)
Reclassifications from construction-in-progress	-	-	-	1,302	6	133	-	-	(1,441)	-
Reclassification to investment properties (Note 15)	-	-	(971)	-	-	-	-	-	-	(971)
Exchange differences	(342)	(129)	(136)	(50)	(8)	(174)	(28)	(1)	(782)	(1,650)
At 30 June 2021	212,548	22,026	64,685	26,315	5,432	63,885	4,803	676	122,521	522,891
Accumulated depreciation										
At 1 July 2020	-	1,875	15,190	12,820	4,274	42,297	3,801	451	-	80,708
Charge for the year	-	234	2,243	3,173	306	4,266	321	65	-	10,608
Disposals/write off	-	-	-	(1,459)	(93)	(1,616)	(2)	(4)	-	(3,174)
Reclassification to investment properties (Note 15)	-	-	(214)	-	-	-	-	-	-	(214)
Exchange differences	-	(13)	(43)	(25)	(7)	(115)	(25)	(1)	-	(229)
At 30 June 2021	-	2,096	17,176	14,509	4,480	44,832	4,095	511	-	87,699
Net carrying amount										
At 30 June 2021	212,548	19,930	47,509	11,806	952	19,053	708	165	122,521	435,192

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

13. 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 January 2019	128	41	195	136	500
Additions	7	14	–	–	21
Disposals/write off	–	(4)	–	–	(4)
At 30 June 2020 and 1 July 2020	135	51	195	136	517
Disposals/write off	–	(3)	–	–	(3)
At 30 June 2021	135	48	195	136	514
Accumulated depreciation					
At 1 January 2019	8	5	33	55	101
Charge for the period	40	27	146	28	241
Disposals/write off	–	(2)	–	–	(2)
At 30 June 2020 and 1 July 2020	48	30	179	83	340
Charge for the year	27	16	16	19	78
Disposals/write off	–	(2)	–	–	(2)
At 30 June 2021	75	44	195	102	416
Net carrying amount					
At 30 June 2020	87	21	16	53	177
At 30 June 2021	60	4	–	34	98

As at the end of the financial year, leasehold land and construction-in-progress with a total carrying amount of \$98,260,000 (2020: \$63,348,000) has been pledged as security for interest-bearing loans and borrowings as disclosed in Note 24.

During the financial year, interest expense of \$1,192,000 (2020: \$198,000) was capitalised as construction-in-progress. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.34% (2020: 3.88%), which is the effective interest rate of the specific borrowing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

14. INTANGIBLE ASSETS

	Goodwill \$'000	Computer software \$'000	Brand name \$'000	Customer relationship \$'000	Hospital management \$'000	Total \$'000
Group						
Cost						
At 1 January 2019	488,077	1,868	–	2,812	698	493,455
Additions	–	217	200	–	–	417
Exchange differences	(1,411)	(20)	–	–	–	(1,431)
At 30 June 2020	486,666	2,065	200	2,812	698	492,441
Additions	–	340	–	–	–	340
Exchange differences	(623)	(12)	–	–	–	(635)
At 30 June 2021	486,043	2,393	200	2,812	698	492,146
Accumulated amortisation and impairment						
At 1 January 2019	–	815	–	2,812	698	4,325
Amortisation	–	567	108	–	–	675
Exchange differences	–	(12)	–	–	–	(12)
At 30 June 2020	–	1,370	108	2,812	698	4,988
Amortisation	–	348	69	–	–	417
Exchange differences	–	(8)	–	–	–	(8)
At 30 June 2021	–	1,710	177	2,812	698	5,397
Net carrying amount						
At 30 June 2020	486,666	695	92	–	–	487,453
At 30 June 2021	486,043	683	23	–	–	486,749

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:

	2021 \$'000	2020 \$'000
Thomson Medical Pte Ltd (TMPL)	379,788	379,788
Clinic	146	146
TMC Life Sciences Berhad (TMCLS)	43,639	43,896
BB Waterfront Sdn Bhd (BBWF)	62,470	62,836
	486,043	486,666

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

14. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (cont'd)

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. BBWF 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 an initial 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 (%)	
	2021	2020	2021	2020
TMPL	3.0	3.0	5.9	6.2
Clinic	5.0	5.0	5.9	7.7
TMCLS	4.0	4.0	7.0	9.0
BBWF	3.0	3.5	6.6	6.8

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:

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 2021

15. INVESTMENT PROPERTIES

Group	Freehold land \$'000	Building \$'000	Total \$'000
Cost			
At 1 January 2019	163,735	–	163,735
Additions	12	823	835
Exchange differences	(2,135)	(9)	(2,144)
At 30 June 2020 and 1 July 2020	161,612	814	162,426
Reclassification from property and equipment (Note 13)	–	971	971
Exchange differences	(941)	(12)	(953)
At 30 June 2021	160,671	1,773	162,444
Accumulated depreciation and impairment			
At 1 January 2019	13,129	–	13,129
Impairment loss for the period	47,937	–	47,937
Charge for the period	–	29	29
Exchange differences	(681)	–	(681)
At 30 June 2020 and 1 July 2020	60,385	29	60,414
Charge for the year	–	54	54
Reclassification from property and equipment (Note 13)	–	214	214
Exchange differences	(351)	(2)	(353)
At 30 June 2021	60,034	295	60,329
Net carrying amount			
At 30 June 2020	101,227	785	102,012
At 30 June 2021	100,637	1,478	102,115

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 \$100,637,000 at 30 June 2021 (2020: \$101,227,000) to secure an undrawn loan facility.

As at the end of the financial year, an investment property that was reclassified from property and equipment during the financial year with a carrying amount of \$737,000 has been pledged as security for interest-bearing loan and borrowings as disclosed in Note 24.

Impairment loss

During the financial period ended 30 June 2020, an impairment loss of \$47,937,000 was recognised following a review of the recoverable amount of the freehold land.

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 31(b)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

16. RIGHT-OF-USE ASSETS

	Group	Company
	Office and clinic premises \$'000	Office premise \$'000
Cost		
At 1 January 2019	10,268	633
Additions	12,332	–
Exchange differences	(31)	–
At 30 June 2020 and 1 July 2020	22,569	633
Additions	5,247	779
Disposals	(2,336)	–
Exchange differences	(18)	–
At 30 June 2021	25,462	1,412
Accumulated depreciation		
At 1 January 2019	–	–
Charge for the period	9,575	367
Exchange differences	(7)	–
At 30 June 2020 and 1 July 2020	9,568	367
Charge for the year	6,875	246
Disposals	(2,227)	–
Exchange differences	(8)	–
At 30 June 2021	14,208	613
Carrying amount		
At 30 June 2020	13,001	266
At 30 June 2021	11,254	799

Amounts recognised in profit or loss:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Depreciation of right-of-use assets	6,875	9,575	246	367
Interest expense on lease liabilities (Note 6)	477	818	5	26
Lease expense relating to short-term leases and leases of low-value assets	79	1,326	–	–

Lease expenses relating to short-term leases and leases of low-value assets are included in "Other operating expenses".

The Group had total cash outflows for leases of \$7,292,000 (2020: \$11,294,000) for the financial year ended 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Shares, at cost	2,410,778	2,410,778
Less: Accumulated impairment losses	(196,280)	(192,314)
	2,214,498	2,218,464

(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	
			2021	2020
Held by the Company:				
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	–
Held through Sasteria Pte Ltd:				
Sasteria (M) Pte Ltd ⁽¹⁾	Singapore	Investment holding	100	100
Thomson Medical Pte Ltd ⁽¹⁾	Singapore	Operates a hospital	100	100
Held through Thomson Medical Pte Ltd:				
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	–
Held through Sasteria (M) Pte Ltd:				
TMC Life Sciences Berhad ⁽²⁾	Malaysia	Investment holding	70.13	70.13
Held through TMC Life Sciences Berhad:				
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of Company	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2021	2020
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

(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	
	1 Jul 2020 to 30 Jun 2021	1 Jan 2019 to 30 Jun 2020
Proportion of ownership interest held by NCI (%)	29.87	29.87
Profit allocated to NCI during the reporting period (\$'000)	1,925	2,107
Accumulated NCI at the end of reporting period (\$'000)	76,055	75,047
Dividends paid to NCI (\$'000)	282	648

(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	
	2021 \$'000	2020 \$'000
Current		
Assets	60,085	60,505
Liabilities	(24,357)	(22,658)
Net current assets	35,728	37,847
Non-current		
Assets	283,006	248,863
Liabilities	(63,214)	(35,386)
Net non-current assets	219,792	213,477
Net assets	255,520	251,324

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

17. 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	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Revenue	65,761	94,220
Profit before taxation	9,021	14,457
Income tax expense	(2,418)	(6,345)
Profit after tax, representing total comprehensive income	6,603	8,112

Other summarised information

	TMC Life Sciences Berhad and its subsidiaries	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Net cash flows from operating activities	7,318	23,278

18. INVESTMENT IN ASSOCIATE

As at 30 June 2021 and 2020, the Group has a 24.3% investment in Streamax International Holding Co., Ltd, a company incorporated in Hong Kong. The cost of investment had been fully impaired. The associate has been struck off subsequent to the financial year ended 30 June 2021.

19. DEVELOPMENT PROPERTY

	Group	
	2021 \$'000	2020 \$'000
Cost		
At beginning of the year/period	152,600	154,616
Exchange differences	(890)	(2,016)
At end of the year/period	151,710	152,600
Accumulated impairment losses		
At beginning of the year/period	56,542	11,700
Impairment loss	–	45,478
Exchange differences	(330)	(636)
At end of the year/period	56,212	56,542
Carrying amount	95,498	96,058

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

19. DEVELOPMENT PROPERTY (CONT'D)

At the end of the financial period ended 30 June 2020, management estimated the recoverable amount of the property based on the fair valuation carried out by an independent professional valuer using the direct comparison method. As a result, the Group recorded an impairment loss of \$45,478,000.

The development property held by the Group at the end of the financial year/period 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

20. INVENTORIES

	Group	
	2021 \$'000	2020 \$'000
Drugs and pharmaceutical products	5,399	6,151

During the current and previous financial year/period, there has been no inventory written off or allowance for inventory obsolescence.

Inventories amounting to \$36,274,000 (2020: \$49,527,000) were recognised as an expense in profit or loss during the financial year/period.

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables	12,504	6,530	–	–
Other receivables	7,867	9,270	56	121
Deposits	2,417	2,459	78	69
Prepaid operating expenses	1,207	1,396	11	19
Amounts due from subsidiaries (non-trade)	–	–	614,097	394,871
Tax recoverable	2,898	3,925	–	–
Total trade and other receivables	26,893	23,580	614,242	395,080
Less: Prepaid operating expenses	(1,207)	(1,396)	(11)	(19)
Less: Tax recoverable	(2,898)	(3,925)	–	–
Add: Cash and short-term deposits (Note 22)	122,678	159,975	57,723	95,292
Total financial assets carried at amortised cost	145,466	178,234	671,954	490,353

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 2021

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Other receivables

Other receivables include patient billings made on behalf of doctors amounting to \$7,295,000 (2020: \$5,720,000 which was reclassified from trade receivables balance to conform with current year's presentation). 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 2021 and 2020.

Expected credit losses (ECL)

As at 30 June 2021, the Group has gross trade receivables amounting to \$13,594,000 (2020: \$7,383,000). The aging analysis and ECLs for trade receivables are as follows:

	Group			
	2021		2020	
	Gross carrying amount	Loss allowance provision	Gross carrying amount	Loss allowance provision
	\$'000	\$'000	\$'000	\$'000
Current	8,998	104	1,785	106
Less than 30 days	1,988	51	1,625	45
30 days to 60 days	1,038	42	558	26
61 days to 90 days	346	14	496	10
More than 90 days	1,224	879	2,919	666
Total	13,594	1,090	7,383	853

The movement in the allowance for expected credit losses in respect of trade receivables computed based on lifetime ECL was as follows:

	Group	
	2021	2020
	\$'000	\$'000
<u>Movement in allowance accounts:</u>		
At beginning of the year/period	853	1,670
Charge for the year/period	433	481
Written back	(24)	(12)
Written off	(169)	(1,281)
Exchange differences	(3)	(5)
At end of the year/period	1,090	853

The Group wrote-off \$169,000 (2020: \$1,281,000) 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 2021

22. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at banks and on hand	70,688	41,008	25,298	3,147
Short-term deposits	51,990	118,967	32,425	92,145
Cash and short-term deposits	122,678	159,975	57,723	95,292

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 2021 for the Group and the Company are 1.89% and 0.92% (2020: 3.33% and 1.06%) per annum respectively.

Pledged deposits of \$10,587,000 (2020: \$12,468,000) are pledged as security for the interest-bearing loans and borrowings as disclosed in Note 24.

The Group has no significant cash and short-term deposits denominated in foreign currencies as at 30 June 2021 and 30 June 2020.

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	
	2021 \$'000	2020 \$'000
Cash and short-term deposits	122,678	159,975
Less: Pledged deposits	(10,587)	(12,468)
Cash and cash equivalents	112,091	147,507

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables	9,555	8,292	–	–
Other payables	25,012	19,789	3	13
Accrued operating expenses	27,892	26,778	8,138	8,392
GST payable	2,323	2,008	315	252
Deposits received	819	817	–	–
Total trade and other payables	65,601	57,684	8,456	8,657
Add: Interest-bearing loans and borrowings (Note 24)	619,405	649,261	562,765	398,171
Less: GST payable	(2,323)	(2,008)	(315)	(252)
Total financial liabilities carried at amortised cost	682,683	704,937	570,906	406,576

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. TRADE AND OTHER PAYABLES (CONT'D)

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 \$11,445,000 (2020: \$9,418,000). These payables are only settled when collections have been received.

24. INTEREST-BEARING LOANS AND BORROWINGS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current:				
Secured bank loans	321	20	–	–
	321	20	–	–
Non-current:				
Secured bank loans	220,186	251,070	163,867	–
Medium-term notes	398,898	398,171	398,898	398,171
	619,084	649,241	562,765	398,171
Total interest-bearing loans and borrowings	619,405	649,261	562,765	398,171

Secured bank loans

Bank loan of the Company is denominated in SGD and bears interest at floating interest rate ranging from 1.90% to 2.10% (2020: 3.30% to 4.48%) 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 loan will mature in 2025.

Bank loans of the subsidiaries amounting to \$56,640,000 (2020: \$251,090,000), are secured by a charge over certain shares and assets of the subsidiaries (Note 13 and Note 15) and cross guarantees provided by the Company and subsidiaries of the Company. The effective interest rates of the loans range from 1.90% to 3.34% (2020: 1.99% to 3.75%) per annum. These loans are denominated in Malaysian Ringgit, except for bank loan amounting to \$2,000,000 (2020: \$224,514,000) which is denominated in SGD. These loans have maturity dates ranging from 2022 to 2030.

Medium-term notes

Two tranches of medium-term notes were issued pursuant to the \$500 million Multicurrency Debt Issuance Programme. The first tranche of 3-year \$225 million 4.8% Notes is due in July 2022. The second tranche of 5-year \$175 million 4.05% Notes is due in January 2025.

The interest is payable semi-annually and the Notes are secured by a charge over interest reserve accounts which are equal to 6 months' interest payable on the Notes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

24. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	1 Jul 2020 \$'000	Cash flows \$'000	Non-cash changes		30 Jun 2021 \$'000
			Amortisation of financing fees \$'000	Foreign exchange movement \$'000	
Secured bank loans	251,090	(30,904)	681	(360)	220,507
Medium-term notes	398,171	–	727	–	398,898
Total	649,261	(30,904)	1,408	(360)	619,405

	1 Jan 2019 \$'000	Cash flows \$'000	Non-cash changes		30 Jun 2020 \$'000
			Amortisation of financing fees \$'000	Foreign exchange movement \$'000	
Secured bank loans	578,292	(328,333)	1,419	(288)	251,090
Medium-term notes	–	397,530	641	–	398,171
Obligations under finance leases	9	(9)	–	–	–
Total	578,301	69,188	2,060	(288)	649,261

25. LEASE LIABILITIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At beginning of the year/period	13,394	10,236	273	633
Additions	5,169	12,332	743	–
Accretion of interest	477	818	5	26
Disposals	(143)	–	–	–
Payments	(7,213)	(9,968)	(257)	(386)
Exchange differences	(14)	(24)	–	–
At end of the year/period	11,670	13,394	764	273
Current	5,796	5,605	234	252
Non-current	5,874	7,789	530	21
	11,670	13,394	764	273

The maturity analysis of lease liabilities is disclosed in Note 32(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

26. DEFERRED INCOME TAX

	Group		Group	
	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2021 \$'000	2020 \$'000	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
Deferred tax liabilities:				
Differences in depreciation for tax purposes	(5,192)	(4,866)	345	515
Fair value adjustments on acquisition of subsidiaries	(6,150)	(6,181)	–	3,122
Provisions	724	749	23	(213)
	(10,618)	(10,298)	368	3,424

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 \$736,000 (2020: \$363,000) and \$4,888,000 (2020: \$5,002,000) 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 (2020: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 35).

27. PROVISIONS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At beginning of the year/period	632	297	–	–
Arose during the financial year/period	211	310	35	–
Exchange differences	(1)	25	–	–
At end of the year/period	842	632	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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

28. SHARE CAPITAL

	Group and Company			
	2021		2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning of the year/period	26,441,017	2,364,497	26,072,881	2,772,209
Conversion of bonus warrants	–	–	368,136	29,455
Non-cash distribution to owners of the Company (Note 1.2)	–	–	–	(155,973)
Capital reduction (Note 1.2)	–	–	–	(281,194)
At end of the year/period	26,441,017	2,364,497	26,441,017	2,364,497

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.

29. 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.

Warrant reserve

The warrant reserve represents the 266,666,666 detachable warrants issued by the Company's subsidiary pursuant to the acquisition of BBWF. These warrants had expired on 21 June 2019 and all unexercised warrants had been transferred to retained earnings during the financial period ended 30 June 2020.

30. COMMITMENTS

(a) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting year/period but not recognised in the financial statements are as follows:

	Group	
	2021 \$'000	2020 \$'000
Capital commitment in respect of property and equipment	38,631	56,066

There was no significant future capital expenditure/commitment for the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

30. 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 \$3,082,000 (2020: \$4,469,000).

Future minimum rentals receivable under non-cancellable operating leases at the end of the financial year/period is as follows:

	Group	
	2021 \$'000	2020 \$'000
Within one year	2,493	2,100
After one year but not more than five years	2,940	1,352
More than 5 years	1,937	2,091
	7,370	5,543

31. 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.

(b) Assets not measured at fair value, for which fair value is disclosed

	Level 3 \$'000	Fair value Total \$'000	Carrying amount \$'000
2021			
Assets			
Freehold land included in investment properties	100,637	100,637	100,637
2020			
Assets			
Freehold land included in investment properties	101,227	101,227	101,227

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

31. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets not measured at fair value, for which fair value is disclosed (cont'd)*

The fair value of the freehold land included in investment properties as at the end of the reporting year/period 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
Direct Comparison Method		
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 (2020: MYR 610)	Significant increases/decreases in price per square foot would result in a significantly higher/lower fair value measurement

32. 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 financial year and previous financial period, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

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.

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 21.

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 (2020: 10) customers, which constitute approximately 22% (2020: 44%) of the Group's trade receivables at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

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 21.

(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 \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group				
2021				
Financial liabilities				
Trade and other payables	63,278	–	–	63,278
Interest-bearing loans and borrowings	23,254	631,831	27,475	682,560
Lease liabilities	6,081	5,864	312	12,257
Total undiscounted financial liabilities	92,613	637,695	27,787	758,095
2020				
Financial liabilities				
Trade and other payables	55,676	–	–	55,676
Interest-bearing loans and borrowings	23,491	693,236	12,059	728,786
Lease liabilities	6,317	7,413	536	14,266
Total undiscounted financial liabilities	85,484	700,649	12,595	798,728

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

32. 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 \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Company				
2021				
Financial liabilities				
Trade and other payables	8,141	–	–	8,141
Interest-bearing loans and borrowings	21,104	596,360	–	617,464
Lease liabilities	257	552	–	809
Total undiscounted financial liabilities	29,502	596,912	–	626,414
2020				
Financial liabilities				
Trade and other payables	8,405	–	–	8,405
Interest-bearing loans and borrowings	17,888	434,708	–	452,596
Lease liabilities	257	22	–	279
Total undiscounted financial liabilities	26,550	434,730	–	461,280

(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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Variable rate instruments				
Secured bank loans	219,219	251,090	163,867	–

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2020: 100) basis points lower/higher with all other variables held constant, the Group's profit before taxation (2020: loss before taxation) would have been \$2,192,000 higher/lower (2020: \$2,511,000 lower/higher), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

33. 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/period ended 30 June 2021 and 30 June 2020.

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:

	2021	2020
Gross debt to total equity	1.1 x	1.2 x
Net debt to total equity	0.9 x	0.9 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.

34. 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, Chinese medicine, specialist skin centre and a pre-natal and clinical diagnostic laboratory. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

34. SEGMENT INFORMATION (CONT'D)

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Hospital services \$'000	Specialised services \$'000	Investment holdings \$'000	Elimination \$'000	Note	Consolidated \$'000
2021						
Revenue:						
External customers	142,454	97,674	270	–		240,398
Inter-segment revenue	–	1,574	21	(1,595)	B	–
Total revenue	142,454	99,248	291	(1,595)		240,398
Results:						
Finance income	614	102	264	–		980
Finance costs	(88)	(433)	(23,089)	–		(23,610)
Depreciation and amortisation	(9,502)	(7,760)	(692)	–		(17,954)
Segment profit/(loss) before taxation	39,595	11,100	(24,513)	–		26,182
Assets:						
Additions to non-current assets	41,825	5,134	781	–	C	47,740
Segment assets	989,601	35,401	257,878	–		1,282,880
Segment liabilities	101,960	26,920	572,301	–		701,181

	Hospital services \$'000	Specialised services \$'000	Investment holdings \$'000	Discontinued operation (Note 11) \$'000	Elimination \$'000	Note	Consolidated \$'000
2020							
Revenue:							
External customers	208,224	119,136	438	7,036	(7,036)	A	327,798
Inter-segment revenue	14	3,031	38	–	(3,083)	B	–
Total revenue	208,238	122,167	476	7,036	(10,119)		327,798
Results:							
Finance income	2,398	314	1,219	12	(12)	A	3,931
Finance costs	33	796	37,216	72	(72)	A	38,045
Depreciation and amortisation	14,058	10,841	1,140	327	(327)	A	26,039
Impairment loss on non-financial assets	–	–	93,415	–	–	A	93,415
Share of result of associates	–	–	–	(86)	86	A	–
Segment profit/(loss) before taxation	54,006	2,750	(136,275)	(2,225)	2,225	A	(79,519)
Assets:							
Additions to non-current assets	75,005	17,613	858	–	–	C	93,476
Segment assets	948,624	41,064	300,702	–	–		1,290,390
Segment liabilities	60,325	32,000	632,241	–	–		724,566

Notes

- A Discontinued operation related to the Real Estate Business which has been excluded to arrive at amounts shown in profit or loss.
 B Inter-segment revenues are eliminated on consolidation.
 C Additions to non-current assets consist of additions to property and equipment, intangible assets, investment properties and right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

34. SEGMENT INFORMATION (CONT'D)

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	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000	2021 \$'000	2020 \$'000
Singapore	174,370	233,139	591,518	597,416
Malaysia	66,028	94,659	443,792	411,135
	240,398	327,798	1,035,310	1,008,551

Non-current assets information presented above consist of property and equipment, intangible assets, investment properties and right-of-use assets as presented in the consolidated statement of financial position.

35. DIVIDENDS

	Group and Company	
	1 Jul 2020 to 30 Jun 2021 \$'000	1 Jan 2019 to 30 Jun 2020 \$'000
<i>Declared and paid during the financial year/period:</i>		
<i>Dividends on ordinary shares:</i>		
– Final exempt (one-tier) dividend for 2018: 0.025 cents per share	–	6,610
<i>Proposed but not recognised as a liability as at the end of the financial year/period:</i>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
– Final exempt (one-tier) dividend for 2021: 0.015 cents (2020: nil) per share	3,966	–



STATISTICS OF SHAREHOLDINGS

As at 15 September 2021

No of Issued shares	–	26,441,016,807 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 15 September 2021, 10.31% 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	146	1.62	1,464	0.00
100 – 1,000	279	3.09	202,346	0.00
1,001 – 10,000	1,716	19.01	12,834,766	0.05
10,001 – 1,000,000	6,700	74.23	755,365,187	2.86
1,000,001 and above	185	2.05	25,672,613,044	97.09
	9,026	100.00	26,441,016,807	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	LIM ENG HOCK	9,333,333,334	35.30
2	RAFFLES NOMINEES (PTE) LIMITED	7,027,302,700	26.58
3	DB NOMINEES (SINGAPORE) PTE LTD	5,163,074,200	19.53
4	UOB KAY HIAN PTE LTD	2,914,076,060	11.02
5	DBS NOMINEES PTE LTD	225,636,517	0.85
6	CITIBANK NOMINEES SINGAPORE PTE LTD	180,655,534	0.68
7	GARVILLE PTE LTD	111,930,588	0.42
8	DBSN SERVICES PTE LTD	107,824,314	0.41
9	PHILLIP SECURITIES PTE LTD	52,626,505	0.20
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	38,123,900	0.14
11	OCBC SECURITIES PRIVATE LTD	31,221,700	0.12
12	UNITED OVERSEAS BANK NOMINEES PTE LTD	26,412,362	0.10
13	MAYBANK KIM ENG SECURITIES PTE.LTD	19,467,900	0.07
14	LIM AND TAN SECURITIES PTE LTD	15,240,300	0.06
15	IFAST FINANCIAL PTE LTD	14,029,200	0.05
16	OCBC NOMINEES SINGAPORE PTE LTD	11,927,520	0.05
17	LEE THENG KIAT	10,934,100	0.04
18	TAN YEW SENG	9,500,000	0.04
19	TAN BEE HOE	8,600,000	0.03
20	LIM JUEXIN LEONARD	6,929,000	0.03
		25,308,845,734	95.72

STATISTICS OF SHAREHOLDINGS

As at 15 September 2021

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholders	Direct interest	%	Deemed interest	%
Lim Eng Hock	9,333,333,334	35.30	14,351,732,393	54.28 ^(a)

(a) 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.

STATISTICS OF PIGGYBACK WARRANTHOLDINGS

As at 15 September 2021

Range of Piggyback Warrantholdings	No. of Piggyback Warrant Holders	%	No. of Piggyback Warrants	%
1 – 99	0	0.00	0	0.00
100 – 1,000	4	1.20	2,500	0.00
1,001 – 10,000	20	5.99	148,300	0.04
10,001 – 1,000,000	261	78.14	63,309,600	17.15
1,000,001 and above	49	14.67	305,805,662	82.81
	334	100.00	369,266,062	100.00

TOP 20 PIGGYBACK WARRANTHOLDERS

No.	Name of Piggyback Warrantholder	No. of Piggyback Warrants	%
1	TANG CHONG SIM	26,789,100	7.25
2	MAYBANK KIM ENG SECURITIES PTE.LTD	23,766,200	6.44
3	DIANA SNG SIEW KHIM	19,828,500	5.37
4	DBS NOMINEES PTE LTD	19,509,400	5.28
5	DB NOMINEES (SINGAPORE) PTE LTD	17,300,000	4.68
6	CHANG YEH HONG	16,000,000	4.33
7	TOK BOON CHOO	15,730,200	4.26
8	CITIBANK NOMINEES SINGAPORE PTE LTD	15,329,100	4.15
9	UOB KAY HIAN PTE LTD	12,870,000	3.49
10	PHILLIP SECURITIES PTE LTD	12,760,000	3.46
11	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	10,087,800	2.73
12	TAN CHEE KIANG	7,380,000	2.00
13	SNG SIEW LIN	7,000,000	1.90
14	LIM CHEO TEE	6,638,600	1.80
15	FOO HONG WEE	6,400,000	1.73
16	DBSN SERVICES PTE LTD	6,000,000	1.62
17	SNG THIAM HOCK	6,000,000	1.62
18	OCBC SECURITIES PRIVATE LIMITED	5,731,700	1.55
19	NG PENG KUAN ANDREW	5,500,000	1.49
20	SNG SIEW YU	5,180,000	1.40
		245,800,600	66.55

Exercise Price S\$0.11⁽¹⁾ in cash for each share on the exercise of a piggyback warrant.

Exercise Period Commencing on and including the date of issue of piggyback warrant and expiring at 5.00 p.m. on the market date immediately preceding the 4th anniversary of the date of issue of the bonus warrants on 25 April 2018, unless such date is date on which the Register of Members is closed or is not a market day, the Exercise Date shall be the earlier of the next Business Day on which the Register of Members is open and Expiration Date.

Warrant Agent M & C Services Private Limited
112 Robinson Road #05-01, Singapore 068902

(1) The piggyback warrant exercise price has been adjusted from \$0.12 to \$0.11 per share with effect from 23 January 2019.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of Thomson Medical Group Limited will be held by way of electronic means, on **Friday, 22 October 2021 at 2.00 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 2021 together with the Auditor's Report thereon. | Resolution 1 |
| 2. | To declare a one-tier tax exempt final dividend of 0.015 Singapore cents per share for the financial year ended 30 June 2021. | Resolution 2 |
| 3. | To re-elect Mr Wilson Sam as Director who is retiring pursuant to Article 105(2) of the Constitution of the Company.
(Refer to explanatory note (i) provided) | Resolution 3 |
| 4. | To re-elect Mr Lim Wee Kiat as Director who is retiring pursuant to Article 105(2) of the Constitution of the Company.
(Refer to explanatory note (ii) provided) | Resolution 4 |
| | <i>To note the retirement of Mr Heng Kim Chuan Freddie at the conclusion of the Annual General Meeting pursuant to Article 105(2) of the Company's Constitution.
(Note: Mr Heng will not be seeking re-election and will retire as Director of the Company on 22 October 2021 at the close of the Annual General Meeting)</i> | |
| 5. | To approve the payment of Directors' fee of up to S\$360,000 for the financial year ending 30 June 2022 (2021: S\$330,000) | Resolution 5 |
| 6. | To re-appoint Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

- | | | |
|----|---|---------------------|
| 7. | Approval for the continued appointment of Dr Lam Lee G as an Independent Director for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST by all shareholders.
(Refer to explanatory note (iii) provided) | Resolution 7 |
|----|---|---------------------|

That, subject to and contingent upon the passing of Ordinary Resolution 8 by shareholders (excluding the directors, chief executive officer of the Company, and their associates) and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST ("Listing Manual") (which will take effect from 1 January 2022):

- (a) the continued appointment of Dr Lam Lee G as an Independent Director be and is hereby approved; and
- (b) the authority conferred by this resolution shall continue in force until the earlier of:
 - (i) the retirement or resignation of Dr Lam Lee G as a director; or
 - (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

NOTICE OF ANNUAL GENERAL MEETING

8. Approval for the continued appointment of Dr Lam Lee G as an Independent Director for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST by shareholders excluding the directors and the chief executive officer of the Company and their associates.
(Refer to explanatory note (iii) provided)

Resolution 8

That, subject to and contingent upon the passing of Ordinary Resolution 7 by shareholders and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022):

- (a) the continued appointment of Dr Lam Lee G as an Independent Director be and is hereby approved; and
- (b) the authority conferred by this resolution shall continue in force until the earlier of:
 - (i) the retirement or resignation of Dr Lam Lee G as a director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

9. General Authority to Issue Shares
(Refer to explanatory note (iv) provided)

Resolution 9

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (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 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with sub-paragraph (ii) below), 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 (as calculated in accordance with paragraph (ii) below);

NOTICE OF ANNUAL GENERAL MEETING

(ii) (subject to such calculation as may be prescribed by the SGX-ST 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 shall be based on the total number of issued Shares of the Company (excluding treasury shares, 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 which are outstanding or subsisting at the time of the passing of this Resolution; and
- (3) any subsequent bonus issue, consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument; and

- (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; and
- (d) 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 options and allot and issue Shares under the TMG Group Share Option Scheme 2012 **Resolution 10**
(Refer to explanatory note (v) provided)

That the Board of Directors of the Company be and is hereby authorised to:

- (a) offer and grant options in accordance with the provisions of the TMG Group Share Option Scheme 2012 (the "**Option Scheme 2012**"); and
- (b) allot and issue from time to time such number of Shares as may be required to be issued (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) pursuant to the exercise of the options granted (while the authority conferred by this Resolution is in force) under the Option Scheme 2012,

provided always that the aggregate number of Shares over which options have been granted on any date, when added to:

- (i) the total number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferable in respect of the options granted under the Option Scheme 2012 and
- (ii) In respect of all other share-based incentives scheme of the Company, if any, then in force,

NOTICE OF ANNUAL GENERAL MEETING

shall not exceed fifteen per cent (15%) of the issued share capital of the Company (excluding treasury shares, 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.

11. Authority to grant awards and issue Shares under the Share Grant Plan 2015
(Refer to explanatory note (vi) provided)

Resolution 11

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, 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)

Lim Hoi Leong (Ms)

Company Secretaries

Singapore, 30 September 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes of the resolutions to be proposed at the AGM:–

(i) *Ordinary Resolution 3*

Mr Wilson Sam will, upon re-election as a Director, continue in office as an Executive Director and Group Chief Financial Officer. Detailed information on Mr Sam pursuant to Rule 720(6) of the SGX Listing Manual can be found on pages 129 to 133 of the Annual Report 2021.

(ii) *Ordinary Resolution 4*

Mr Lim Wee Kiat will, upon re-election as Director, continue in office as the Non-Executive Non-Independent Director and will remain as a member of Nominating and Remuneration Committee. Detailed information on Mr Lim pursuant to Rule 720(6) of the SGX Listing Manual can be found on pages 129 to 133 of the Annual Report 2021.

(iii) *Ordinary Resolutions 7 and 8*

In anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect on 1 January 2022. Rule 210(5)(d)(iii) of the Listing Manual provides that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer, and their respective associates.

Dr Lam has served for more than nine years on the Board of the Company. The Company is seeking two-tier shareholders' approval for the continued appointment of Dr Lam as Independent Directors prior to 1 January 2022. Directors and Chief Executive Officer of the Company, and their associates (as defined under the Listing Manual) are required to abstain from voting on proposed Ordinary Resolution 8.

Resolutions 7 and 8 are contingent upon the passing of each other. If a resolution did not pass the first-tier voting or having passed the first-tier voting, did not pass the second-tier voting, Dr Lam will continue in office as an Independent Director up to and including 31 December 2021, and shall thereafter be re-designated as a Non-Executive and Non-Independent Director as of and with effect from 1 January 2022. Upon such re-election (where applicable) and re-designation, the Board and the Nominating and Remuneration Committee will, guided by the criteria in the Listing Manual of the SGX-ST and the Code of Corporate Governance (the "Code"), review the composition of the Board as well as the Audit and Risk Committee, so as to ensure that the composition of the Board and of the Audit and Risk Committee comply with the requirements of the Listing Manual and the Code. Ordinary Resolutions 7 and 8, if passed, will remain in force until the earlier of: (i) Dr Lam's retirement or resignation as Director of the Company; or (ii) the conclusion of the third AGM of the Company following the passing of such resolutions.

Mr Lim Eng Hock, a controlling shareholder of the Company who is associated with Mr Lim Wee Kiat, a Director of the Company and its associates will abstain from voting on Resolution 8. Mr Ng Ser Miang and Mr Ong Pang Liang, Directors of the Company with shareholdings in the Company will abstain from voting on Resolution 8.

(iv) *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, if any) in the capital of the Company calculated on the basis set out in the said Resolution. 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 in the capital of the Company calculated on the basis set out in the said resolution. 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.

(v) *Ordinary Resolution 10* is to empower the Board of Directors of the Company to offer and grant options and to issue Shares pursuant to the exercise of the options under the Option Scheme 2012.

(vi) *Ordinary Resolution 11* 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 2012 which would comprise more than 1.5% of the total number of issued Shares (excluding treasury shares, if any) from time to time. However, if less than 1.5% of the total number of issued Shares (excluding treasury shares, if any) is granted as the awards under the Share Grant Plan 2015 and the options under the Option Scheme 2012 in any given year, the balance may be used by the Company to make grants of the awards or the options in subsequent years.

NOTES:

1. The Annual General Meeting ("**AGM**" or "**Meeting**") will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be able to attend the AGM in person. Shareholders will also not be able to vote online on the resolutions to be tabled for approval at the AGM. The Company has made arrangements to conduct the AGM as set out below.

2. **Alternative arrangements for participation at the AGM**

Alternative arrangements have been made by the Company to allow shareholders to participate at the AGM by:

- (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;
- (b) submitting questions in advance, in relation to any resolution set out in the Notice of AGM, if any; and/or
- (c) appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM.

Details of the steps and deadlines for pre-registration, submission of questions in advance and voting at the AGM by shareholders, including CPF and SRS investors, are set out below.

NOTICE OF ANNUAL GENERAL MEETING

3(a). Voting solely via appointing Chairman as Proxy (submit a Proxy Form)

Shareholders will only be able to vote at the AGM by appointing the Chairman of the AGM as proxy to vote on their behalf. Duly completed Proxy Forms must be deposited with the Company (i) via post, to be deposited at the office of the Company's Share Registrar at 112 Robinson Road #05-01 Singapore 068902 or (ii) via email to gp@mnscingapore.com (by enclosing a clear scanned completed and signed Proxy Form) and must be received by the Company by Tuesday, 19 October 2021, 2.00 p.m. Singapore time (being 72 hours before the time appointed for the holding of the AGM). Proxy Forms can be downloaded from SGXNET, the Company's website or the pre-registration website. In the Proxy Form, a Shareholder should specifically direct the proxy on how he is to vote for or vote against (or abstain from voting on) the resolutions to be tabled at the AGM. If no specific direction as to voting on a given resolution is given, the appointment of the Chairman of the AGM as proxy for that resolution shall be treated as invalid. In view of the COVID-19 situation, we strongly encourage Shareholders to submit the completed and signed Proxy Form via email.

3(b). Voting by Investors holding shares through relevant intermediaries (including CPF/SRS Investors)

Investors (including CPF/SRS Investors) that wish to vote should not make use of the Proxy Form and should instead approach their respective relevant intermediary as soon as possible to specify voting instructions. CPF/SRS Investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator by Tuesday, 12 October 2021, 5.00 p.m. Singapore time.

The accompanying Proxy Form for the AGM will be published on the Company's website at https://www.thomsonmedical.com/event_calendar/annual-general-meeting-2021/ and on the SGX website at <https://www.sgx.com/securities/company-announcements>.

4. Submission of Questions

Shareholders and Investors will not be able to ask questions "live" via the audio-visual webcast or audio-only stream. All Shareholders and Investors can submit questions relating to the business of the AGM up until Tuesday, 19 October 2021, 2.00 p.m. Singapore time (being 72 hours before the time appointed for the holding of the AGM) either (i) only for Shareholders and CPF/SRS Investors who pre-register to follow the proceedings of the AGM through the live audio-visual webcast or live audio-only stream, via the pre-registration website at <https://conveneagm.sg/tmg-agm2021>, (ii) via post, to be deposited at the office of M & C Services Private Limited (the "Share Registrar") at 112 Robinson Road #05-01 Singapore 068902 or (iii) via email to agm@thomsonmedical.com. When sending your questions by email or post, please also provide the Company with: (i) your full name; (ii) your address; and (iii) the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS). The Company will endeavour to respond to substantial and relevant questions either prior to the AGM (via an announcement on SGXNET and the Company's website) or during the AGM.

5. Minutes of AGM

The minutes of the AGM will be posted on the SGXNet and the Company's website. The minutes will include the Company's responses to the questions from Shareholders/Investors which are addressed during the AGM.

6. Key dates and deadlines

The key dates and deadlines which shareholders should take note of are summarised in the table below and to be read in conjunction with the notes herein:

Key dates/times	Actions
30 September 2021 (Thursday) 10.00 a.m.	Shareholders may begin to pre-register at https://conveneagm.sg/tmg-agm2021 for the live audio-visual webcast/live audio-only stream of the AGM proceedings.
12 October 2021 (Tuesday) 5.00 p.m.	Deadline for CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
19 October 2021 (Tuesday) 2.00 p.m.	Deadline for shareholders to: <ul style="list-style-type: none"> • Pre-register for live audio-visual webcast/live audio-only stream of the AGM proceedings; • Submit questions in advance; and • Submit Proxy Forms
By 21 October 2021 (Thursday) 2.00 p.m.	Authenticated shareholders who pre-registered for the live audio-visual webcast and live audio-only stream of the AGM proceedings will receive an email which contain instructions on how to access the live audio-visual webcast and live audio-only stream of the 2021 AGM proceedings (the "Confirmation Email"). Shareholders who do not receive the Confirmation Email by 2.00 p.m. on 21 October 2021, but have registered by the 19 October 2021 2.00 p.m. deadline and have not been informed of an unsuccessful registration, should contact the Company's Share Registrar, M & C Services Private Limited, at Tel. No.: +65 6228 0530.
Date and time of AGM 22 October 2021 (Friday) 2.00 p.m.	Shareholders to: <ol style="list-style-type: none"> click on the link in the Confirmation Email and follow the instructions to access the live audio-visual webcast of the AGM proceedings; or click on the link in the Confirmation Email and follow the instructions to access the live audio-only stream of the AGM proceedings.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company 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 the appointment of the Chairman of the Meeting as proxy 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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, Mr Wilson Sam and Mr Lim Wee Kiat are the Directors seeking re-election at the 21st Annual General Meeting. The information shall be read in conjunction with their respective biographies on pages 7 to 9 of the Annual Report 2021.

	Mr Wilson Sam	Mr Lim Wee Kiat
Date of appointment	15 March 2019	15 March 2019
Date of last re-appointment (if applicable)	25 April 2019	25 April 2019
Age	45	28
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board has considered the 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 of the Company and Group Chief Financial Officer.</p>	<p>The Board has considered the 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 NRC as well as from the Board pertaining to his re-election.</p> <p>Mr Lim will, upon re-election, continue to serve as the Non-Executive and Non-Independent Director and as a member of the NRC.</p>
Whether appointment is executive, if so, the area of responsibility	Executive Director and Group Chief Financial Officer	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC member, etc.)	Executive Director and Group Chief Financial Officer	<ul style="list-style-type: none"> • Non-Executive and Non-Independent Director • Member of Nominating and Remuneration Committee
Professional qualifications	<ul style="list-style-type: none"> • Bachelor Studies (Honours) with major in Financial Analysis and a minor in Accountancy, Nanyang Technological University • CFA® and CAIA® charterholder • FRM® certification 	<ul style="list-style-type: none"> • Bachelor of Science in Psychology from the University of New South Wales Australia
Working experience and occupation(s) during the past 10 years	<p>March 2019 to present Executive Director and Group CFO, Thomson Medical Group Limited</p> <p>2014 to February 2019 Senior Vice President, Investments, Kestrel Capital Pte Ltd</p> <p>2010 to 2013 Vice President, Investments, Rowsley Limited</p>	<p>2017 to 2020 Vice President, Investments, Kestrel Capital Pte Ltd</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wilson Sam	Mr Lim Wee Kiat
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
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	Nil	Mr Lim is the son of Mr Lim Eng Hock, the controlling shareholder of the Company.
Conflict of interest (including any competing business)	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes
Past (for the last 5 years)	<u>Director</u> <ul style="list-style-type: none"> • Catpital Private Limited • TI Health Pte. Ltd. 	Nil
Present	<p>Listed entity</p> <ul style="list-style-type: none"> • Secura Group Limited (Non-Executive and Non-Independent Director and Member of Audit Committee) • TMC Life Sciences Berhad (Alternate Director) <p>Non-listed entity</p> <p><u>Director</u></p> <ul style="list-style-type: none"> • Thomson Medical Pte. Ltd. • Thomson Women's Clinic Holdings Pte Ltd • Sasteria Pte. Ltd. • Sasteria (M) Pte. Ltd. • Smartparents Pte. Ltd. • Renewable Metal Resources Pte. Ltd. • Thomson Women Cancer Centre Pte. Ltd. • Thomson Paediatric Centre Pte. Ltd. • PCC Products Pte. Ltd. • Thomson Wellth Company Pte. Ltd. • Thomson Kids Pte. Ltd. • Thomson X Pte. Ltd. • Vantage Bay JB Sdn Bhd • Skies VB Sdn Bhd • VB2 Property Sdn Bhd • Adifore Finance Ltd • Arnel Services S.A. • Mint Media Sports Limited • PT Thomson Medical 	<p>Non-listed entity</p> <p><u>Director</u></p> <ul style="list-style-type: none"> • Thomson X Pte Ltd • Towerhill Pte Ltd • Selectstart Pte Ltd • SL8 Pte Ltd • Kelarc Pte Ltd • RSP Holdings Pte Ltd • RSP Topco Pte Ltd <p>Principal Commitment</p> <p>Vice President and Board member of Singapore Esports Association</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wilson Sam	Mr Lim Wee Kiat
(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
(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
(c) Whether there is any unsatisfied judgment against him?	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
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wilson Sam	Mr Lim Wee Kiat
(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
(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
(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
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Wilson Sam	Mr Lim Wee Kiat
(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
(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
(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
(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
Any prior experience as a director of an issuer listed on the Exchange?	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

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PROXY FORM

THOMSON MEDICAL GROUP LIMITED

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

IMPORTANT

For investors holding shares of Thomson Medical Group Limited through relevant intermediaries (as defined under Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the Meeting (i.e. by Tuesday, 12 October 2021, 5.00 p.m.) to ensure that their votes are submitted.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 September 2021.

*I/We _____ (Name), NRIC/Passport/Co Reg Number _____

of _____ (Address)

being a member/members of Thomson Medical Group Limited (the "Company") hereby appoint the Chairman as my/our proxy to attend, speak and vote on my/our behalf at the 21st Annual General Meeting of the Company ("AGM") to be held by way of electronic means on Friday, 22 October 2021 at 2.00 p.m. and at any adjournment thereof in the following manner:

RESOLUTIONS RELATING TO:		For*	Against*	Abstain*
Ordinary business				
1	Adoption of the Directors' Statement and the Audited Consolidated Financial Statements of the Company for the year ended 30 June 2021 ("FY2021") together with the Auditor's Report thereon			
2	Approval of a one-tier tax exempt final dividend of 0.015 Singapore cents per share for the financial year ended 30 June 2021			
3	Re-election of Mr Wilson Sam as Director retiring under Article 105(2) of the Company's Constitution			
4	Re-election of Mr Lim Wee Kiat as Director retiring under Article 105(2) of the Company's Constitution			
5	Approval of Directors' fee of up to S\$360,000 for the financial year ending 30 June 2022 (2021: \$330,000)			
6	Re-appointment of Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration			
Special business				
7	Continued appointment of Dr Lam Lee G as an Independent Director for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST by all shareholders			
8	Continued appointment of Dr Lam Lee G as an Independent Director for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST by shareholders excluding the directors and the chief executive officer of the Company and their associates			
9	General authority to issue Shares			
10	Authority to issue Shares under the TMG Group Share Option Scheme 2012			
11	Authority to issue Shares under the Share Grant Plan 2015			

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided. If you wish the Chairman as your proxy to abstain from voting on a resolution, please indicate with a (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares the Chairman as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2021

Total number of Shares held

Signature(s) of Member(s) or Common Seal of
Corporate Shareholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

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glue all sides

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the shares held by you (in both the Depository Register and the Register of Members).
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. CPF/SRS investors who wish to appoint the Chairman as proxy should contact their respective CPF Agent Banks or SRS Operators by **5.00p.m. on Tuesday, 12 October 2021** to submit his/her voting instructions.
4. The Proxy Form (together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof) must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Share Registrar of the Company, **M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902**; and
 - (b) if submitted electronically, be submitted via email to gpb@mncsingapore.com (by enclosing a clear scanned completed and signed Proxy Form), in either case, by **2.00 p.m. on Tuesday, 19 October 2021**, being not less than 72 hours before the time fixed for the AGM.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.
5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (in the absence of previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
6. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

glue all sides firmly

1st fold

2nd fold

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**THOMSON MEDICAL GROUP LIMITED
C/O M&C SERVICES PRIVATE LIMITED
112 ROBINSON ROAD #05-01
SINGAPORE 068902**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MR NG SER MIANG
Chairman, Non-Executive and Independent Director

DR WONG CHIANG YIN
Executive Director and Group Chief Executive Officer

MR WILSON SAM
Executive Director and Group Chief Financial Officer

MR HENG KIM CHUAN FREDDIE
Non-Executive Non-Independent Director

MR LIM WEE KIAT
Non-Executive Non-Independent Director

MR ONG PANG LIANG
Independent Director

DR LAM LEE G
Independent Director

AUDIT AND RISK COMMITTEE

MR ONG PANG LIANG
Chairman

MR HENG KIM CHUAN FREDDIE
Member

DR LAM LEE G
Member

NOMINATING AND REMUNERATION COMMITTEE

MR NG SER MIANG
Chairman

MR LIM WEE KIAT
Member

MR ONG PANG LIANG
Member

COMPANY SECRETARIES

MS FOO SOON SOO
MS LIM HOI LEONG

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
OVERSEA-CHINESE BANKING CORPORATION LIMITED

REGISTERED OFFICE

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