



Thomson Medical Group Limited and its Subsidiaries
(Company Registration No: 199908381D)

Condensed Interim Consolidated Financial Statements
For the six months and full year ended 30 June 2023

THOMSON MEDICAL GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 199908381D)

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THOMSON MEDICAL GROUP LIMITED
(Incorporated in the Republic of Singapore)
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Condensed Interim Consolidated Statement of Profit or Loss

	Note	6 months ended 30 June			12 months ended 30 June		
		2023 \$'000 (Unaudited)	2022 \$'000 (Unaudited)	Change %	2023 \$'000 (Audited)	2022 \$'000 (Audited)	Change %
Revenue	5	171,770	188,327	(8.8)	355,769	333,706	6.6
Other income		3,299	4,867	(32.2)	5,635	9,816	(42.6)
Inventories and consumables used		(29,684)	(28,675)	3.5	(59,380)	(55,321)	7.3
Staff costs		(55,393)	(58,537)	(5.4)	(117,974)	(107,920)	9.3
Depreciation and amortisation expenses		(10,821)	(9,371)	15.5	(21,070)	(17,930)	17.5
Other operating expenses		(42,139)	(35,697)	18.0	(80,720)	(70,544)	14.4
Results from operating activities		37,032	60,914	(39.2)	82,260	91,807	(10.4)
Finance income		2,448	512	N.M.	3,948	988	N.M.
Finance costs		(16,749)	(12,024)	39.3	(30,512)	(23,497)	29.9
Net finance costs		(14,301)	(11,512)	24.2	(26,564)	(22,509)	18.0
Share of results of a joint venture		(207)	–	N.M.	(493)	–	N.M.
Profit before taxation	6	22,524	49,402	(54.4)	55,203	69,298	(20.3)
Income tax expense	7	(5,746)	(4,768)	20.5	(14,147)	(10,713)	32.1
Profit for the period/year		16,778	44,634	(62.4)	41,056	58,585	(29.9)
Profit attributable to:							
Owners of the Company		13,760	41,277	(66.7)	36,555	53,762	(32.0)
Non-controlling interest		3,018	3,357	(10.1)	4,501	4,823	(6.7)
Profit for the period/year		16,778	44,634	(62.4)	41,056	58,585	(29.9)
EBITDA		47,854	70,285	(31.9)	103,330	109,737	(5.8)
Adjusted EBITDA¹		51,095	70,285	(27.3)	106,572	109,737	(2.9)

NM – Not meaningful

¹ Adjusted for one-off transactions and non-recurring costs

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Condensed Interim Consolidated Statement of Other Comprehensive Income

	6 months ended 30 June			12 months ended 30 June			
	2023 \$'000	2022 \$'000	Change %	2023 \$'000	2022 \$'000	Change %	
	Note (Unaudited)	(Unaudited)		(Audited)	(Audited)		
Profit for the period/year		16,778	44,634	(62.4)	41,056	58,585	(29.9)
Other comprehensive income:							
<u>Item that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation		(24,499)	(12,452)	96.7	(42,528)	(12,292)	246.0
Net change in fair value of cash flow hedges		151	–	N.M.	373	–	N.M.
<u>Item that will not be reclassified to profit or loss</u>							
Net change in fair value of financial assets at fair value through other comprehensive income		59	975	(93.9)	(119)	975	N.M.
Other comprehensive income for the period/year, net of tax		(24,289)	(11,477)	111.6	(42,274)	(11,317)	273.5
Total comprehensive income for the period/year		(7,511)	33,157	N.M.	(1,218)	47,268	N.M.
Attributable to:							
Owners of the Company		(11,165)	32,700	N.M.	(2,129)	45,315	N.M.
Non-controlling interests		3,654	457	N.M.	911	1,953	(53.4)
Total comprehensive income for the period/year		(7,511)	33,157	N.M.	(1,218)	47,268	N.M.
Earnings per share for profit for the period/year attributable to the owners of the Company during the period/year (cents)							
Basic ⁽¹⁾		0.052	0.156	(66.7%)	0.138	0.203	(32.0%)
Diluted ⁽²⁾		0.052	0.156	(66.7%)	0.138	0.203	(32.0%)

⁽¹⁾ The calculation of basic earnings per share was based on weighted average number of shares in issue of 26,441,066,807 (2022: 26,441,066,807) for Second Half Year and Full Year.

⁽²⁾ The calculation of diluted earnings per share was based on weighted average number of shares in issue of 26,446,738,285 for Second Half Year and Full Year ended 30 June 2023.

THOMSON MEDICAL GROUP LIMITED
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Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2023 \$'000 (Audited)	30 June 2022 \$'000 (Audited)	30 June 2023 \$'000 (Audited)	30 June 2022 \$'000 (Audited)
ASSETS					
Non-current assets					
Property and equipment	10	416,023	444,027	267	310
Intangible assets	11	481,647	484,061	–	–
Investment properties	12	91,314	99,629	–	–
Right-of-use assets		14,528	13,425	283	541
Investment in subsidiaries		–	–	2,192,774	2,209,127
Investment in joint venture		192	*	–	–
Deferred tax assets		605	919	–	–
Other investment		2,216	2,335	–	–
Derivative financial instruments		373	–	373	–
		1,006,898	1,044,396	2,193,697	2,209,978
Current assets					
Development property	14	85,493	93,225	–	–
Inventories		6,326	5,584	–	–
Trade and other receivables		62,474	60,147	617,227	615,695
Cash and short-term deposits		286,591	161,591	207,597	84,256
		440,884	320,547	824,824	699,951
Total assets		1,447,782	1,364,943	3,018,521	2,909,929
Current liabilities					
Contract liabilities		3,642	3,802	–	–
Trade and other payables		83,819	86,541	8,426	8,738
Income tax payable		13,891	15,170	407	–
Interest-bearing loans and borrowings	15	12,129	227,679	7,500	225,000
Lease liabilities		6,556	5,309	269	246
		120,037	338,501	16,602	233,984
Net current assets/(liabilities)		320,847	(17,954)	808,222	465,967
Non-current liabilities					
Deferred tax liabilities		7,333	7,353	–	–
Interest-bearing loans and borrowings	15	735,629	401,421	652,772	325,754
Lease liabilities		8,478	8,447	24	284
Provisions		862	879	35	35
		752,302	418,100	652,831	326,073
Total liabilities		872,339	756,601	669,433	560,057
Net assets		575,443	608,342	2,349,088	2,349,872
Equity attributable to owners of the Company					
Share capital	16	2,364,503	2,364,503	2,364,503	2,364,503
Retained earnings/(accumulated losses)		154,816	148,546	(15,963)	(14,631)
Other reserves		(2,019,877)	(1,981,368)	548	–
		499,442	531,681	2,349,088	2,349,872
Non-controlling interests		76,001	76,661	–	–
Total equity		575,443	608,342	2,349,088	2,349,872
Total equity and liabilities		1,447,782	1,364,943	3,018,521	2,909,929

*Amount less than \$1,000

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Condensed Interim Statements of Changes in Equity

Group	Attributable to owners of the Company											
	Share capital	Retained earnings	Merger reserve	Foreign currency translation reserve	Capital reserve	Fair value reserve	Share-based payment reserve	Hedging reserve	Total other reserves	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2022	2,364,503	148,546	(1,842,369)	(92,846)	(47,128)	975	–	–	(1,981,368)	531,681	76,661	608,342
Profit for the year	–	36,555	–	–	–	–	–	–	–	36,555	4,501	41,056
<u>Other comprehensive income</u>												
Foreign currency translation	–	–	–	(38,938)	–	–	–	–	(38,938)	(38,938)	(3,590)	(42,528)
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	373	373	373	–	373
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	(119)	–	–	(119)	(119)	–	(119)
Other comprehensive income for the year, net of tax	–	–	–	(38,938)	–	(119)	–	373	(38,684)	(38,684)	(3,590)	(42,274)
Total comprehensive income for the year	–	36,555	–	(38,938)	–	(119)	–	373	(38,684)	(2,129)	911	(1,218)
<u>Contributions by and distributions to owners</u>												
Equity-settled share-based payment transactions	–	–	–	–	–	–	175	–	175	175	37	212
Dividends on ordinary shares	–	(30,407)	–	–	–	–	–	–	–	(30,407)	–	(30,407)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	–	(1,486)	(1,486)
Total contributions by and distributions to owners	–	(30,407)	–	–	–	–	175	–	175	(30,232)	(1,449)	(31,681)
<u>Others</u>												
Lapsed employees' share options	–	122	–	–	–	–	–	–	–	122	(122)	–
Total others	–	122	–	–	–	–	–	–	–	122	(122)	–
At 30 June 2023	2,364,503	154,816	(1,842,369)	(131,784)	(47,128)	856	175	373	(2,019,877)	499,442	76,001	575,443

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Condensed Interim Statements of Changes in Equity (cont'd)

Group	Attributable to owners of the Company									
	Share capital \$'000	Retained earnings \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Fair value reserve \$'000	Total other reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 July 2021	2,364,497	98,264	(1,842,369)	(83,424)	(47,128)	–	(1,972,921)	489,840	76,194	566,034
Profit for the period	–	53,762	–	–	–	–	–	53,762	4,823	58,585
<u>Other comprehensive income</u>										
Foreign currency translation	–	–	–	(9,422)	–	–	(9,422)	(9,422)	(2,870)	(12,292)
Net change in fair value of financial assets	–	–	–	–	–	975	975	975	–	975
Other comprehensive income for the period, net of tax	–	–	–	(9,422)	–	975	(8,447)	(8,447)	(2,870)	(11,317)
Total comprehensive income for the period	–	53,762	–	(9,422)	–	975	(8,447)	45,315	1,953	47,268
<u>Contributions by and distributions to owners</u>										
Share issued on conversion of warrants	6	–	–	–	–	–	–	6	–	6
Grant of equity-settled share options to employees	–	–	–	–	–	–	–	–	74	74
Dividends on ordinary shares	–	(3,966)	–	–	–	–	–	(3,966)	–	(3,966)
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	(1,074)	(1,074)
Total contributions by and distributions to owners	6	(3,966)	–	–	–	–	–	(3,960)	(1,000)	(4,960)
<u>Others</u>										
Lapsed employees' share options	–	486	–	–	–	–	–	486	(486)	–
Total others	–	486	–	–	–	–	–	–	–	–
At 30 June 2022	2,364,503	148,546	(1,842,369)	(92,846)	(47,128)	975	(1,981,368)	531,681	76,661	608,342

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Condensed Interim Statements of Changes in Equity

Company	Share capital \$'000	Accumulated losses \$'000	Share-based payment reserve \$'000	Hedging reserve \$'000	Total other reserve \$'000	Total equity \$'000
At 1 July 2022	2,364,503	(14,631)	–	–	–	2,349,872
Profit for the period, representing total comprehensive income for the period	–	29,075	–	–	–	29,075
<u>Other comprehensive income</u>						
Net change in fair value of cash flow hedges	–	–	–	373	373	373
<u>Contributions by and distributions to owners</u>						
Equity-settled share-based payment transactions	–	–	175	–	175	175
Dividends on ordinary shares	–	(30,407)	–	–	–	(30,407)
	–	(30,407)	175	–	175	(30,232)
At 30 June 2023	2,364,503	(15,963)	175	373	548	2,349,088
At 1 July 2021	2,364,497	(49,157)	–	–	–	2,315,340
Profit for the period, representing total comprehensive income for the period	–	38,492	–	–	–	38,492
<u>Contributions by and distributions to owners</u>						
Share issued on conversion of warrants	6	–	–	–	–	6
Dividends on ordinary shares	–	(3,966)	–	–	–	(3,966)
	–	(3,966)	–	–	–	(3,960)
At 30 June 2022	2,364,503	(14,631)	–	–	–	2,349,872

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Condensed Interim Consolidated Statement of Cash Flows

	12 months ended 30 June	
	2023	2022
	\$'000	\$'000
	(Audited)	(Audited)
Operating activities		
Profit before taxation	55,203	69,298
<u>Adjustments for:</u>		
Allowance for expected credit losses on trade receivables, net	1,395	150
Amortisation of financing fees on borrowings	644	989
Depreciation of property and equipment and investment properties	13,157	11,117
Depreciation of right-of-use assets	6,867	6,439
Amortisation of intangible assets	1,046	374
Net loss/(gain) on disposal of property and equipment	142	(23)
Inventories written off	207	–
Gain on derecognition of leases	(4)	(52)
Property and equipment written off	11	23
Finance income	(3,948)	(988)
Finance costs	29,868	22,508
Share of results of a joint venture	493	–
Unrealised exchange loss	364	60
Grant of equity-settled share options to employees	212	74
Impairment loss on goodwill	–	146
Total adjustments	50,454	40,817
Operating cash flows before changes in working capital	105,657	110,115
<u>Changes in working capital:</u>		
Increase in inventories	(1,264)	(267)
Increase in trade and other receivables	(4,603)	(32,940)
Increase in trade and other payables and contract liabilities	378	23,280
Total changes in working capital	(5,489)	(9,927)
Cash flows from operations	100,168	100,188
Interest income received	3,203	927
Income taxes paid	(14,777)	(8,313)
Net cash flows from operating activities	88,594	92,802
Investing activities		
Purchase of property and equipment	(11,205)	(27,753)
Purchase of intangible assets	(1,584)	(372)
Purchase of other investment	–	(1,360)
Proceeds from disposal of property and equipment	86	49
Investment in a joint venture	(685)	–
Net cash flows used in investing activities	(13,388)	(29,436)

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Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	12 months ended 30 June	
	2023	2022
	\$'000	\$'000
	(Audited)	(Audited)
Financing activities		
Proceeds from conversion of warrants	–	6
Repayment of interest-bearing loans and borrowings	(242,567)	(13,316)
Proceeds from interest-bearing loans and borrowings	366,097	23,529
Changes in pledged deposits	257	(105)
Dividends paid on ordinary shares	(30,407)	(3,966)
Dividends paid to non-controlling interests of subsidiaries	(1,486)	(1,074)
Payment of principal portion of lease liabilities	(6,572)	(6,445)
Interest paid	(31,105)	(22,112)
Net cash flows generated from/(used in) financing activities	54,218	(23,483)
Net increase in cash and cash equivalents	129,423	39,883
Effect of exchange rate changes on cash and cash equivalents	(4,166)	(1,075)
Cash and cash equivalents at 1 July	150,899	112,091
Cash and cash equivalents at 30 June	276,156	150,899

Note:

Cash at banks and on hand	78,018	60,643
Short-term deposits	208,573	100,948
Total cash and short-term deposits	286,591	161,591
Less: Pledge deposits	(10,435)	(10,692)
Cash and cash equivalents at 30 June	276,156	150,899

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

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 principally engaged in operating hospital and clinics and provision of healthcare services.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months and full year ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the interim consolidated financial statements for the period ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated 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.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Significant accounting judgements and estimates

The preparation of the condensed interim 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.

In preparing the condensed interim consolidated financial statements, the key assumptions concerning the future and other key sources of estimation uncertainty are consistent with that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial period are included in the following notes:

- (a) Note 11 - Impairment testing of goodwill
- (b) Note 10 - Impairment testing of property and equipment attributable to BB Waterfront Sdn Bhd
- (c) Note 12 and Note 14 - Valuation of investment properties and development property

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3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

For management purposes, the Group is organised into business units based on their products and services as follows:

(a) Hospital services

Hospital services comprise the provision of integrated medical healthcare facilities and services for primary, secondary and tertiary healthcare with focus on the areas of obstetrics and gynaecology and paediatric services, diagnostic imaging services, pharmacy, 24-hour outpatient services, laboratory and services provided by outpatient clinics at the hospital.

(b) Specialised services

The specialised services segment includes services provided by the fertility clinics, paediatric centres, cancer centre, cardiology centre, Traditional Chinese medicine, specialist skin centre, a pre-natal and clinical diagnostic laboratory, and project-related services. It also includes a consumer business segment, comprising products and services.

(c) Investment holdings

Investment holdings and those relating to investment properties and development property.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

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

4.1 Reportable segments

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
12 months ended 30 June 2023	\$'000	\$'000	\$'000	\$'000		\$'000
Revenue:						
External customers	186,301	169,063	405	–		355,769
Inter-segment revenue	–	2,080	–	(2,080)	A	–
Total revenue	186,301	171,143	405	(2,080)		355,769
Results:						
Finance income	905	113	2,930	–		3,948
Finance costs	(3,833)	(503)	(26,176)	–		(30,512)
Share of results of a joint venture	–	–	(493)	–		(493)
Depreciation and amortisation	(12,992)	(7,411)	(667)	–		(21,070)
Segment profit/(loss) before taxation	39,086	46,460	(30,343)	–		55,203
Assets:						
Additions to non-current assets	12,261	8,814	17	–	B	21,092
Investment in joint venture	–	–	192	–		192
Segment assets	1,010,806	42,548	390,519	–		1,443,873
Segment liabilities	149,380	32,391	669,344	–		851,115

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4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
12 months ended 30 June 2022	\$'000	\$'000	\$'000	\$'000		\$'000
Revenue:						
External customers	162,516	170,900	290	–		333,706
Inter-segment revenue	–	1,492	15	(1,507)	A	–
Total revenue	162,516	172,392	305	(1,507)		333,706
Results:						
Finance income	586	78	324	–		988
Finance costs	(792)	(388)	(22,317)	–		(23,497)
Depreciation and amortisation	(9,805)	(7,449)	(676)	–		(17,930)
Segment profit/(loss) before taxation	37,136	56,829	(24,667)	–		69,298
Assets:						
Additions to non-current assets	25,316	4,288	2,624	–	B	32,228
Investment in joint venture	–	–	*	–		*
Segment assets	1,039,868	38,322	282,246	–		1,360,436
Segment liabilities	146,385	27,210	560,483	–		734,078

*Amount less than \$1,000

Notes

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of additions to property and equipment, intangible assets, investment properties, right-of-use assets and other investment.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	12 months ended 30 June		30 June	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	260,414	254,602	595,957	594,623
Malaysia	95,355	79,104	410,941	449,773
	355,769	333,706	1,006,898	1,044,396

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

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4. Segment information (cont'd)

4.2 A breakdown of sales

	Group		
	30 June 2023	30 June 2022	Change
	\$'000	\$'000	%
(a) Sales reported for the first half year	183,999	145,379	26.6
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	24,278	13,951	74.0
(c) Sales reported for the second half year	171,770	188,327	(8.8)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	16,778	44,634	(62.4)

5 Disaggregation of revenue

	Group			
	6 months ended 30 June 2023	30 June 2022	12 months ended 30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000
<u>Major product or service lines</u>				
Rendering of services, including sale of goods	169,872	186,479	351,998	330,225
Rental income	1,898	1,848	3,771	3,481
	171,770	188,327	355,769	333,706
<u>Timing of revenue recognition</u>				
At a point in time	167,859	183,944	347,828	325,140
Over time	3,911	4,383	7,941	8,566
	171,770	188,327	355,769	333,706

6. Profit before taxation

The following items have been included in arriving at profit before taxation:

	Group			
	6 months ended 30 June 2023	30 June 2022	12 months ended 30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000
Allowance for expected credit losses on trade receivables, net	1,266	14	1,395	150
Depreciation of property and equipment, investment properties and right-of-use assets	10,193	9,204	20,024	17,556
Amortisation of intangible assets	628	167	1,046	374
Net loss/(gain) on disposal of property and equipment	85	(23)	142	(23)
Property and equipment written off	7	23	11	23
Inventories written off	24	–	207	–

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7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement profit or loss are:

	Group			
	6 months ended 30 June		12 months ended 30 June	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- current income taxation	6,479	9,189	13,498	14,861
- over provision in respect of previous years	(13)	(143)	(12)	(95)
	6,466	9,046	13,486	14,766
Deferred income tax				
- origination and reversal of temporary differences	(903)	(4,461)	478	(4,233)
- under provision in respect of previous years	183	183	183	180
	(720)	(4,278)	661	(4,053)
Income tax expense	5,746	4,768	14,147	10,713

8. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

9. Net asset value

	Group		Company	
	2023	2022	2023	2022
Net asset value per ordinary share (cents)	2.18	2.30	8.88	8.89

The calculation of net asset value per ordinary share was based on 26,441,066,807 shares as at 30 June 2023 (2022: 26,441,066,807).

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10. Property and equipment

During the year ended 30 June 2023, the Group acquired assets amounting to \$11,205,000 (30 June 2022: \$25,774,000) and disposed of assets with a net book value amounting to \$239,000 (30 June 2022: \$49,000).

Impairment testing of property and equipment attributable to BB Waterfront Sdn Bhd (BBWF)

The property and equipment attributable to BBWF comprises mainly freehold land located within the Iskandar Development Region, 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 including a sensitivity analysis, are disclosed and further explained in Note 11 to the interim consolidated financial statements in conjunction with the impairment of goodwill allocated to BBWF.

As at 30 June 2023, the carrying value of BBWF's property and equipment amounted to \$79,999,000 (2022: \$86,353,000).

11. Intangible assets

	Goodwill	Computer software	Software development-in-progress	Brand name	Customer relationship	Hospital management	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2022							
Cost	483,518	2,714	–	200	2,812	698	489,942
Accumulated amortisation and impairment	(146)	(2,025)	–	(200)	(2,812)	(698)	(5,881)
Net carrying amount	483,372	689	–	–	–	–	484,061
Cost							
At 1 July 2022							
483,518	2,714	–	200	2,812	698	489,942	
Additions	–	1,339	245	–	–	–	1,584
Written-off	–	(118)	–	–	–	–	(118)
Reclassifications from property and equipment	–	5,829	–	–	–	–	5,829
Exchange differences	(8,591)	(357)	–	–	–	–	(8,948)
At 30 June 2023	474,927	9,407	245	200	2,812	698	488,289
Accumulated amortisation and impairment							
At 1 July 2022							
146	2,025	–	200	2,812	698	5,881	
Amortisation	–	1,046	–	–	–	–	1,046
Written-off	–	(118)	–	–	–	–	(118)
Exchange differences	–	(167)	–	–	–	–	(167)
At 30 June 2023	146	2,786	–	200	2,812	698	6,642
Net carrying amount							
At 30 June 2023							
474,781	6,621	245	–	–	–	–	481,647

11. Intangible assets (cont'd)

Impairment testing of goodwill

Goodwill is derived from the excess of purchase consideration over the fair value of the identifiable net assets acquired. Goodwill arising from business combinations has been allocated to the following cash-generating units (CGUs) for impairment testing:

	Group	
	2023	2022
	\$'000	\$'000
Thomson Medical Pte Ltd (TMPL)	379,788	379,788
TMC Life Sciences Berhad (TMCLS)	39,068	42,601
BB Waterfront Sdn Bhd (BBWF)	55,925	60,983
	474,781	483,372

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period, except for BBWF and TMCLS. BBWF is a fully owned subsidiary of TMCLS that owns Thomson Iskandar, a medical hub project under construction and development in Malaysia. The cash flow projections used in the value-in-use calculations for BBWF were based on financial budgets approved by management covering a fifteen-year period which comprises a five-year period of construction and development, followed by a ten-year period of medical hub operations and an imputed terminal growth thereafter.

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow beyond the forecasted period are as follows:

	Terminal growth rates (%)		Discount rates (%)	
	2023	2022	2023	2022
TMPL	2.5	3.0	8.1	7.0
TMCLS	3.0	4.0	9.5	9.0
BBWF	3.0	3.0	10.2	9.7

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

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.

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12. Investment properties

Group	Freehold land \$'000	Building \$'000	Total \$'000
At 30 June 2022			
Cost	156,848	1,731	158,579
Accumulated depreciation and impairment	(58,605)	(345)	(58,950)
Net carrying amount	98,243	1,386	99,629
Cost			
At 1 July 2022			
Exchange differences	(13,009)	(144)	(13,153)
At 30 June 2023			
	143,839	1,587	145,426
Accumulated depreciation and impairment			
At 1 July 2022			
Charge for the year	–	55	55
Exchange differences	(4,860)	(33)	(4,893)
At 30 June 2023			
	53,745	367	54,112
Net carrying amount			
At 30 June 2023			
	90,094	1,220	91,314

The investment properties include a piece of freehold land located within the Iskandar Development Region, Johor Bahru, Malaysia.

Asset not measured at fair value, for which fair value is disclosed

The fair value of the freehold land included in investment properties as at the end of the reporting 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 significant unobservable input used in the direct comparison method is the price per square foot of MYR610 (2022: MYR610). Significant increases/decreases in price per square foot would result in a significantly higher/lower fair value measurement.

13. Financial assets at fair value through other comprehensive income

13.1 Measurement of fair value

(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 measured at fair value*

The following table shows an analysis of the assets measured at fair value at the end of the reporting period:

	Group			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount
	S\$'000	S\$'000	S\$'000	S\$'000
2023				
<u>Equity instrument designated at fair value through OCI:</u>				
Non-listed equity investment	–	–	2,216	2,216
<u>Derivatives designated at fair value through OCI:</u>				
Interest rate swap – cash flow hedge	–	373	–	373
	–	373	2,216	2,589
2022				
<u>Equity instrument designated at fair value through OCI:</u>				
Non-listed equity investment	–	–	2,335	2,335

Level 2 fair value measurements

The interest rate swap contracts are classified within Level 2 as the fair value of these contracts are obtained from reputable financial institution by reference to current interest rates for contracts with similar maturity profiles.

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13. Financial assets at fair value through other comprehensive income (cont'd)

13.1 Measurement of fair value (cont'd)

(b) *Assets measured at fair value (cont'd)*

Information about significant unobservable inputs used in Level 3 fair value measurements

The equity investment is not traded in an active market. The fair value of the Group's equity investment as at 30 June 2022 is estimated with reference to the recent subscription price of shares issued close to the end of the financial year. As at 30 June 2023, the fair value of the equity investment is estimated using option pricing method as there was no new shares issued during the financial year. As the fair value of the equity investment is determined based on unobservable inputs, the fair value is classified as a Level 3 measurement.

14. Development property

	Group	
	2023	2022
	\$'000	\$'000
Cost	135,817	148,100
Accumulated impairment losses	(50,324)	(54,875)
Carrying amount	85,493	93,225

The development property held by the Group relates to the land under development within the Iskandar Development Region, Johor Bahru, Malaysia.

Management estimated the recoverable amount of the property based on the fair value carried out by an independent professional valuer using the direct comparison method as disclosed in Note 12.

15. Interest-bearing loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current:				
Secured bank loans	12,129	2,679	7,500	–
Medium-term notes	–	225,000	–	225,000
	12,129	227,679	7,500	225,000
Non-current:				
Secured bank loans	440,857	226,801	358,000	151,134
Medium-term notes	294,772	174,620	294,772	174,620
	735,629	401,421	652,772	325,754
Total interest-bearing loans and borrowings	747,758	629,100	660,272	550,754

Secured bank loans

Bank loan of the Company is secured by a charge over certain shares of the subsidiaries and cross guarantees provided by the Company and subsidiaries of the Company.

Bank loans of the subsidiaries amounting to \$87,467,000 (2022: \$78,346,000) are secured by a charge over certain shares and assets of the subsidiaries and cross guarantee provided by the Company and subsidiaries of the Company.

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15. Interest-bearing loans and borrowings (cont'd)

Medium-term notes

The Company established a \$500 million multicurrency debt issuance programme ("**MTN programme**") on 28 June 2019. In July 2019, the Company issued the 3-year S\$225 million 4.8% notes due 2022 ("**Series 1 Notes**") which had been fully redeemed on 18 July 2022. In January 2020, the Company issued the 5-year S\$175 million 4.05% notes due January 2025 ("**Series 2 Notes**").

On 21 April 2023, the Company updated and upsized the MTN programme from \$500 million to \$1 billion. On 31 May 2023, the Company issued the 5-year S\$120 million 5.5% notes due 2028 ("**Series 3 Tranche 1 Notes**").

The interest is payable semi-annually. The Series 1 Notes and Series 2 Notes are secured by a charge over interest reserve accounts which are equal to 6 months' interest payable on the Series 1 Notes and Series 2 Notes.

16. Share capital

	Group and Company			
	2023		2022	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning of the year	26,441,067	2,364,503	26,441,017	2,364,497
Shares issued on conversion of warrants	–	–	50	6
At end of the year	26,441,067	2,364,503	26,441,067	2,364,503

The Company does not hold any treasury shares as at 30 June 2023 and 30 June 2022.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2023 and 30 June 2022.

17. Subsequent events

- (a) On 12 July 2023, the Group has entered into a sale and purchase agreement ("SPA") with Far East Medical HK Limited ("**FEMHK**") to acquire 100% of the issued charter capital of Far East Medical Vietnam Limited ("**FEMVN**") for a total consideration of S\$517.1 million, comprising an initial consideration of approximately S\$487.5 million and an earnout consideration of approximately S\$29.6 million. The acquisition will be funded by the Group's internal resources and external borrowings from financial institutions and debt capital markets. Completion of this acquisition is subject to the terms and conditions of the SPA.
- (b) On 21 July 2023, the Company launched a S\$30 million 5.5% notes due 2028 (to be consolidated and form a single series with the existing Series 3 Tranche 1 Notes) (the "**Series 3 Tranche 2 Notes**" and, together with the Series 3 Tranche 1 Notes, the "**Series 3 Notes**") pursuant to the MTN Programme.

Other Information Required by Listing Rule Appendix 7.2

1. Where the figures have been audit or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of cash flows of the Group for the financial year ended 30 June 2023 and statement of financial position of the Group and Company as at 30 June 2023 have been audited in accordance with Singapore Standards on Auditing.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

2H2023 compared with 2H2022

The Group's revenue decreased by 8.8% to \$171.8 million for the six-month period ended 30 June 2023 ("**2H2023**") compared to the same period last year of \$188.3 million. The decrease was mainly due to the lower income received from project-related services as a result of the closure of vaccination centres. The decrease is partially cushioned by the higher average bill sizes in Singapore. In Malaysia, revenue continues to improve due to higher patient loads attributed to the increased operating capacity at Thomson Hospital Kota Damansara ("**THKD**"), as well as higher case intensity being handled.

Other income was lower at \$3.3 million during 2H2023. The decrease was mainly due to lower government grants received under the Jobs Support Scheme and property tax rebates granted by the Singapore Government.

Other operating expenses were higher at \$42.1 million during 2H2023. The increase was mainly due to higher legal and professional fees incurred for potential acquisition and higher operating costs incurred for the new expansion wing at THKD. Staff costs during 2H2023 were lower by 5.4% compared to the same period last year mainly attributable to the reversal of over-accrued manpower costs in respect of previous financial year during current period.

The Group's EBITDA decreased by 31.9% from \$70.3 million to \$47.9 million during 2H2023. The decrease was mainly due to lower revenue and higher operating expenses as mentioned above. The decrease was partially offset by Malaysia's EBITDA which has increased by 37.5% from S\$8.8 million in 2H2022 to S\$12.1 million in 2H2023 driven by the increased operating capacity at THKD, as well as higher case intensity handled.

Depreciation and amortisation expenses increased by \$1.4 million as compared to 2H2022 mainly due to the depreciation charged on the new expansion wing at THKD.

Net finance costs were higher by \$2.8 million mainly due to the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use and higher interest rates during 2H2023 compared to the same period last year.

Income tax expense was higher mainly due to the absence of a non-cash deferred tax credit arisen from the investment tax allowance in Malaysia during 2H2022.

As a result of the above, the Group recorded a net profit after tax of \$16.8 million in 2H2023 compared to \$44.6 million for the same period last year.

FY2023 compared with FY2022

Revenue for FY2023 grew by 6.6% or \$22.1 million from \$333.7 million in FY2022 to \$355.8 million. The growth in Hospital Services segment was mainly attributed to the higher average bill sizes in Singapore. While in Malaysia, revenue continues to improve due to higher patient loads attributed to the increased operating capacity at THKD, as well as higher case intensity handled. Revenue from Specialists Services in Singapore and Malaysia has maintained at S\$169.1 million in FY2023, representing a marginal decrease of 1.1% as compared to \$170.9 million in FY2022. The decrease was mainly due to the lower project income as a result of the closure of vaccination centres in Singapore, which was offset by higher income contribution from managing the Transitional Care Facility.

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Other income was lower at \$5.6 million during FY2023. The decrease was mainly due to lower government grants received under the Jobs Support Scheme and property tax rebates granted by the Singapore Government.

Other operating expenses were higher at \$80.7 million during FY2023. The increase was mainly due to higher professional fees incurred for potential acquisition and higher operating costs incurred for the new expansion wing at THKD. Staff costs were higher by 9.3% compared to last year. This is mainly due to an increase in headcount in Malaysia arising from the opening of the new expansion wing at THKD, and increased competition in the healthcare market.

The Group's EBITDA decreased by 5.8% from \$109.7 million to \$103.3 million in FY2023. The decrease was mainly due to lower income received from project-related services, lower government grant received, as well as the higher operating expenses as mentioned above. The decrease was partially offset by the revenue growth from Hospital and Specialised Services segments. In particular, Malaysia's EBITDA has increased by 43.7% from S\$15.1 million in FY2022 to S\$21.7 million in FY2023 driven by the increased operating capacity at THKD, as well as higher case intensity handled.

Depreciation and amortisation expenses increased by \$3.2 million as compared to FY2022 mainly due to the depreciation charged on the new expansion wing at THKD.

Net finance costs were higher by \$4.1 million mainly due to the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use and higher interest rates during FY2023 compared to the same period last year.

Income tax expense was higher mainly due to the absence of a non-cash deferred tax credit arising from the investment tax allowance in Malaysia during FY2022.

As a result of the above, the Group recorded a net profit after tax of \$41.1 million in FY2023 compared to \$58.6 million last year.

REVIEW OF STATEMENT OF FINANCIAL POSITION

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

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

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

REVIEW OF STATEMENT OF CASH FLOWS

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

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast was previously disclosed by the Group.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Singapore's economy recorded a preliminary year-on-year growth of 0.7% in the second quarter, along with a quarter-on-quarter growth of 0.3%¹. However, GDP projections for FY2023 have been revised downward to a range of 0.5% to 1.5%, in contrast to the 3.6% growth witnessed in 2022. This downward revision is attributed to reduced global demand, compounded by the potential for a global economic slowdown. Similarly, growth prospects across Southeast Asia have been dampened, as GDP growth forecasts have been adjusted down to 4.6% for the year 2023².

Despite these economic challenges, the Singapore healthcare industry is poised for rapid expansion, largely driven by growing demand from medical tourism and the aging population. Healthcare expenditures have been projected to increase from \$22 billion in 2018 to \$59 billion by 2030³. The broader healthcare sector in Asia is also promising due to favourable demographic trends like urbanization and increased life expectancy, complemented by efforts to enhance insurance coverage and healthcare accessibility.

Within Singapore, the Group will maintain its focus on executing its expansion strategy with the opening of new medical centres and clinics. The transition to an endemic phase of COVID-19 has led to increased in-patient admissions and a recovery to pre-pandemic levels in the paediatric division. The Group will also continue to support public health efforts through partnerships with the government in managing vaccination centres and Transitional Care Facilities (TCFs).

Regionally, with Malaysia's international borders reopening, the Group foresees a strong resurgence in the healthcare sector. The expansion of Thomson Hospital Kota Damansara ("THKD") has been completed in Q3FY2022. The newly added wing will be introduced in phases, with the total licensed bed capacity increasing from 205 to 350 by the end of FY2023, with potential further expansion to 535 beds which is expected to be commissioned in the next two years. The expanded operating capacity at THKD has led to higher revenue in FY2023 due to increased admissions and higher case intensity.

In Vietnam, the Group achieved a significant milestone in July 2023 with the proposed acquisition of 100% ownership of Far East Medical Vietnam Limited ("FEMVN") through a sale and purchase agreement for a total consideration of S\$517.1 million. This strategic acquisition aligns with the Group's Pan-Asia expansion efforts.

Based on these developments, the Group maintains a cautious yet optimistic stance for its business outlook and prospects. Barring unforeseen circumstances, it anticipates growth across both current and new business lines.

1. MTI press release, 11 August 2023, <https://www.mti.gov.sg/Newsroom/Press-Releases/2023/08/MTI-Narrows-Singapore-GDP-Growth-Forecast-for-2023-to-0-5-to-1-5-Per-Cent>."
2. Asian Development Outlook (ADO) July 2023, <https://www.adb.org/outlook/editions/july2023#:~:text=Developing%20Asia%20Outlook,Given%20balancing%20developments&text=Southeast%20Asia's%20growth%20prospects%20are,global%20demand%20for%20manufactured%20exports>.
3. MOH, Projected Annual Healthcare Spending for Next Decade, 14 February 2022, www.moh.gov.sg/news-highlights/details/projected-annual-healthcare-spending-for-next-decade/

5. Dividend Information

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.040 cent per ordinary share
Tax rate	Tax-exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.115 cent per ordinary share
Tax rate	Tax-exempt one-tier

(c) Date payable

The date of payment of the proposed Final Dividend, if approved by the shareholders of the Company at the forthcoming Annual General Meeting, will be announced at a later date.

(d) Book Closure Date

The books closure date will be announced at a later date.

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

6. Interested person transactions

The Company did not obtain a general mandate from shareholders for IPTs. The Company and its subsidiaries had the following Interested Persons Transactions during the financial year ended 30 June 2023:

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

⁽¹⁾ Provision of design consultancy and build services.

7. Update on use of exercise proceeds from Warrants Issue

In May 2021, the Company has utilised \$10 million of the proceeds from Warrants Issue towards repayment of bank borrowings. The use of proceeds is in accordance with the intended use as disclosed in the Company's Circular dated 28 February 2018. The Company will make further announcements when the remaining proceeds are materially disbursed.

8. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Wee Kiat	30	Son of substantial shareholder, Mr Lim Eng Hock	<u>1 January 2022 to current</u> Position: Executive Vice-Chairman Duties: Responsible for overall growth strategies for the Group and work with the Board to grow the Group's business through mergers and acquisitions, particularly for core hospital services in fast-growing economies in Southeast Asia.	Mr Lim Wee Kiat was appointed as Executive Vice-Chairman with effect from 1 September 2022.

10. Additional information required pursuant to Rule 706A

On 11 July 2022, VB2 Property Sdn Bhd, a dormant company that was wholly owned by the Group, has been struck off from the Companies Commission of Malaysia.

On 6 June 2023, the Company has incorporated a wholly-owned subsidiary in Singapore, Sasteria (VN) Pte. Ltd., with an issued and paid-up share capital of S\$10,000 comprising 10,000 shares. The principal activities of the subsidiary are those of investment holding company.

On 21 June 2023, Sasteria (VN) Pte. Ltd., a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary in Singapore, FVH Singapore Pte. Ltd., with an issued and paid-up share capital of S\$10,000 comprising 10,000 shares. The principal activities of the subsidiary are those of investment holding company.

None of the Directors and the controlling shareholders have any interest, direct or indirect, in the above matter. The striking off and incorporation of the entities did not have any material impact on the earnings and the net tangible asset per share of the Company for the financial year ended 30 June 2023.

BY ORDER OF THE BOARD

Dr Heng Jun Li Melvin
Executive Director and Group Chief Executive Officer

28 August 2023