



THOMSON MEDICAL GROUP LIMITED

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

RESPONSE TO SGX QUERY ON ANNUAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

The Board of Directors of Thomson Medical Group Limited (the “**Company**” or “**TMG**”, together with its subsidiaries, the “**Group**”) wishes to announce the following in response to a query raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 21 October 2020 with respect to the Company’s Annual Report for the financial period ended 30 June 2020 (the “**Annual Report**”).

SGX Query

Provision 2.4 of the Code of Corporate Governance 2012 (“**2012 Code**”) which continues to apply till 1 January 2022, provides that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent. Please explain how the Company complied with Provision 2.4 of the 2012 Code which provides, among other things, that directors who have served on the Board beyond nine years should be subject to particularly rigorous review.

Response from Company

As disclosed on page 32 of the Annual Report, the Nominating and Remuneration Committee (“**NRC**”) considers the director’s independence based on the conduct, character and judgment and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the director’s independent business judgement in the best interests of the Company. The NRC also considered the substance of the director’s professionalism, integrity and objectivity and not the number of years the director has served the board.

Dr Lam Lee G was first appointed on 26 June 2002 and resigned from the Board on 25 April 2018 following the completion of the acquisition of the healthcare business. He was subsequently re-appointed to the Board on 2 May 2019 following the reconstitution of the Board after the divestment of the real estate business. The NRC recommended the re-appointment of Dr Lam because of his expertise, experience and the requisite qualifications. The NRC has further reviewed and considers Dr Lam independent based on the substance of his professionalism, integrity, and objectivity, and not the number of years he has served on the Board. In serving as an Independent Director in past and current tenors, Dr Lam had and continues to engage the Board in constructive discussions, and has demonstrated his exercise of independent judgment.

Be that as it may, the NRC agrees with the broad principle that there is a risk that relationship built up with management over an unduly long period of service could affect a long-serving director's independence, and as such, the NRC would rigorously review or reconsider the independence of a long serving director, who has served for a period of more than 9 years.

In any case, the Company has refreshed its board with four new appointments since the completion of the very substantial acquisition of the healthcare business in 2018 followed by the divestment of the real estate business in 2019. The Board now comprises seven members, three are independent of which only one independent director has served for more than 9 years.

By Order of the Board
THOMSON MEDICAL GROUP LIMITED

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