IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be (i) a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**")) or (ii) located within the United States ("**U.S.**"). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not located in the United States or a U.S. person, as defined in Regulation S under the Securities Act, nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent that you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or a person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Thomson Medical Group Limited, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Thomson Medical Group Limited or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Thomson Medical Group Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC COMMUNICATION AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore on 31 December 1999)
(UEN/Company Registration No. 199908381D)

S$1,000,000,000
Multicurrency Debt Issuance Programme
(the "Programme")

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") and perpetual securities (the "**Perpetual Securities**" and, together with the Notes, the "**Securities**") to be issued from time to time by Thomson Medical Group Limited (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application has been made to the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) for permission to deal in and the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Securities.

Each Series (as defined herein) of Notes to be issued from time to time pursuant to the Programme may be secured by a charge and assignment over the rights, title and interests of the Issuer in and to the Relevant Interest Service Reserve Account (as defined herein). If the Relevant Account Charge (as defined herein) is specified as being applicable in the relevant Pricing Supplement (as defined herein), such Series of Notes to be issued pursuant to the Programme will be secured by a charge and assignment over the rights, title and interests of the Issuer in and to the Relevant Interest Service Reserve Account.

Arranger

DBS

TABLE OF CONTENTS

NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Securities. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Securities, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Issuer, and there are no other facts the omission of which in the context of the Programme or the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the relevant issue date with, or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Conditions (as defined herein) of the Notes as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the relevant issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary for Euroclear and Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Conditions of the Perpetual Securities as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S$1,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms and upon the conditions set out in the Programme Agreement (as defined herein). On 21 April 2023, the maximum aggregate principal amount of all Securities which may be issued from time to time pursuant to the Programme and which remain outstanding was increased from S$500,000,000 to S$1,000,000,000.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the Programme and the issue, offer or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme and the issue of the Securities may be used for the purpose of, or in connection with, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) and the offer of the Securities in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) or into whose possession this Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold, or in the case of Bearer Securities, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the issue nor delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase, subscription for or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arranger or any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or any part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or any part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or any part thereof) and the same shall not constitute a ground for rescission of any purchase, subscription or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or any part thereof).

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any Series of Securities, one or more Dealers named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Securities and 60 days after the date of the allotment of the relevant Series of Securities. Any stabilisation action will be conducted in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or publicly announced unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein). Copies of the documents listed in (1) above which are deemed to be incorporated by reference in this Information Memorandum may be obtained at the SGX-ST's website at www.sgx.com.

Any subscription for, purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the subscription for, purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities and distribution of this Information Memorandum set out under the section "Subscription, Purchase and Distribution" on pages 192 to 198 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for, purchase or otherwise acquire any of the Securities consult their own legal, financial, tax and other advisers before subscribing for, purchasing or acquiring the Securities.

Prospective investors should pay attention to the risk factors set out in the section "Risk Factors".

Prospective subscribers or purchasers of the Securities are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

Notification under Section 309B(1)(c) of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Securities may include a legend titled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor any of the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Securities may include a legend titled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor any of the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The Issuer's audited consolidated financial statements as at and for the financial year ended 30 June 2022 are prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

In making an investment decision, investors must rely upon their own independent examination of the Issuer, the Group, the terms of this offering and the recent financial information of the Issuer and the Group. Unless specified or the context otherwise requires, all financial information in this Information Memorandum is presented on a consolidated basis.

The Issuer's financial year ends on 30 June, and references in this Information Memorandum to any specific year are to the 12-month period ending on 30 June of such year.

Non-FRS/Non-SFRS(I)/Non-IFRS Financial Measures

EBITDA in this Information Memorandum refers to profit before tax, interest, depreciation and amortisation on property and equipment, investment properties, intangible assets and right-of-use assets. EBITDA as presented above is a supplemental measure of the Group's performance and is not required by or presented in accordance with FRS, SFRS(I) or IFRS. EBITDA is not a measurement of financial performance or liquidity under FRS, SFRS(I) or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with FRS, SFRS(I) or IFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. EBITDA is not a standardised term, and hence may not be comparable to that of other companies that may determine EBITDA differently. EBITDA has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the financial condition or results of operations of the Issuer and the Group as reported under FRS or SFRS(I). Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Issuer's and the Group's business.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward- looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth of the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in the tax and regulatory regimes;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under the section "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer and/or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer and/or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of the Issuer or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**1H2022**"	:	The half year ended 31 December 2021.
"**1H2023**"	:	The half year ended 31 December 2022.
"**Agency Agreement**"	:	The agency agreement dated 28 June 2019 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent, CDP transfer agent and CDP registrar, (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent, non-CDP transfer agent and non-CDP registrar, and (4) the Trustee, as trustee, as amended, restated or supplemented from time to time.
"**Arranger**"	:	DBS Bank Ltd.
"**Audit and Risk Committee**"	:	The Audit and Risk Committee of the Issuer.
"**Bearer Securities**"	:	Securities in bearer form.
"**Board**"	:	The board of Directors of the Group.
"**Bursa Securities**"	:	Bursa Malaysia Securities Berhad.
"**business day**"	:	In respect of each Security, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**CAGR**"	:	Compound annual growth rate.

"**Calculation Agency Agreement**"	:	A calculation agency agreement between the Issuer, the Trustee and the relevant Calculation Agent made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 7 to the Programme Agreement.
"**Calculation Agent**"	:	In relation to a Series of Securities, the person appointed as calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement for that Series and as specified in the applicable Pricing Supplement as calculation agent or its successor in such capacity.
"**CAIA**"	:	Chartered Alternative Investment Analyst.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**CDP Registrar**"	:	Deutsche Bank AG, Singapore Branch.
"**Certificate**"	:	A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the Conditions of the Notes or the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
"**CFA**"	:	Chartered Financial Analyst.
"**Clearstream, Luxembourg**"	:	Clearstream Banking S.A. and includes a reference to its successors and assignors.
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	(i) In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and

(ii) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Perpetual Securities" as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.

"**Couponholders**" : The holders of the Coupons.

"**Coupons**" : The bearer coupons appertaining to an interest or distribution bearing Bearer Security.

"**Dealers**" : Persons appointed as dealers under the Programme.

"**Deed of Covenant**" : The deed of covenant dated 28 June 2019 executed by the Issuer by way of deed poll in relation to the Securities (which are represented by a Global Security or Global Certificate and which are deposited with the Depository), as amended varied and supplemented by a supplemental deed of covenant dated 21 April 2023 and as further amended, restated or supplemented from time to time.

"**Definitive Security**" : A definitive Bearer Security being substantially in the form set out in Part 1 of Schedule 1 to the Trust Deed or, as the case may be, Part I of Schedule 5 to the Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue.

"**Depository Agreement**" : The application form dated 28 June 2019 signed by the Issuer and accepted by the Depository together with the terms and conditions for the provision of depository services by the Depository referred to therein, as amended by a notice of change in description of securities dated 21 April 2023, and as may be further amended, varied or supplemented from time to time.

"**Directors**" : The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.

"EBITDA"	:	Profit before tax, interest, depreciation and amortisation on property and equipment, investment properties, intangible assets and right-of-use assets.
"EURIBOR"	:	Euro Interbank Offered Rate.
"Euro"	:	The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"Euroclear"	:	Euroclear Bank SA/NV and includes a reference to its successors and assignors.
"Equity Policy"	:	The policies of the Ministry of Health, Malaysia on foreign equity participation in private healthcare facilities in Malaysia.
"FRM"	:	Financial Risk Manager.
"FY"	:	Financial year ended or ending 30 June.
"Global Certificate"	:	A global Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) a common depositary for Euroclear and/or Clearstream, Luxembourg and/or (iii) any other clearing system.
"Global Security"	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or Talons.
"Group"	:	The Issuer and its subsidiaries.
"HDB"	:	Housing and Development Board.
"IRAS"	:	Inland Revenue Authority of Singapore.
"Issue Documents"	:	The Trust Deed, the Agency Agreement, the Depository Agreement, the Deed of Covenant and (if applicable) the Calculation Agency Agreement.
"Issuer"	:	Thomson Medical Group Limited.
"ITA"	:	Income Tax Act 1947 of Singapore, as amended or modified from time to time.

"**IUI**"	:	Intrauterine insemination.
"**IVF**"	:	In vitro fertilisation.
"**Latest Practicable Date**" or "**LPD**"	:	17 April 2023.
"**LIBOR**"	:	London Interbank Offered Rate.
"**MAS**"	:	The Monetary Authority of Singapore.
"**Medical Advisory Board**"	:	The medical advisory board of Thomson Medical.
"**Nominating and Remuneration Committee**"	:	The Nominating and Remuneration Committee of the Issuer.
"**Non-CDP Paying Agent**"	:	Deutsche Bank AG, Hong Kong Branch.
"**Non-CDP Registrar**"	:	Deutsche Bank AG, Hong Kong Branch.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The notes issued or to be issued by the Issuer under the Programme.
"**Notes Security Trustee**"	:	DB International Trust (Singapore) Limited.
"**O&G**"	:	Obstetrics and gynaecology.
"**Paying Agents**"	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Notes and Coupons.
"**Permanent Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security.
"**Perpetual Securities**"	:	The perpetual securities issued or to be issued by the Issuer under the Programme.
"**Perpetual Securityholders**"	:	The holders of the Perpetual Securities.
"**Pricing Supplement**"	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
"**Principal Paying Agent**"	:	Deutsche Bank AG, Singapore Branch.

“**Private Healthcare Facilities and Services Act**”	:	Private Healthcare Facilities and Services Act 1998 of Malaysia, as amended or modified from time to time.
“**Programme**”	:	The S$1,000,000,000 Multicurrency Debt Issuance Programme of the Issuer.
“**Programme Agreement**”	:	The programme agreement dated 28 June 2019 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) DBS Bank Ltd., as dealer, as amended and restated by an amendment and restatement programme agreement dated 21 April 2023 made between the same parties and as amended, varied or supplemented from time to time.
“**Relevant Account Bank**”	:	In relation to each Series of Notes, the bank with which the Relevant Interest Service Reserve Account for that Series of Notes is maintained.
“**Relevant Account Bank Agreement**”	:	The account bank agreement to be entered into between (1) the Issuer, as issuer, (2) the Relevant Account Bank, as relevant account bank, (3) the Trustee, as trustee, and (4) the Notes Security Trustee, as security trustee.
“**Relevant Account Charge**”	:	In relation to a Series of Notes, the charge over the Relevant Interest Service Reserve Account in respect of that Series of Notes to be entered into between (1) the Issuer, as chargor, and (2) the Notes Security Trustee, as security trustee.
“**Relevant Interest Service Reserve Account**”	:	In relation to a Series of Notes, the interest service reserve account opened and maintained or to be opened and maintained by the Issuer with the Relevant Account Bank and into which moneys are deposited in accordance with the Relevant Account Charge, and any reference in the Transaction Documents to a Relevant Interest Service Reserve Account shall also include any other interest service reserve account or interest service reserve accounts which replace(s) or is/are a substitute for such Relevant Interest Service Reserve Account.
“**Relevant Secured Debt**”	:	In relation to a Series of Notes, all sums of whatever nature which are or at any time may be or become due from or owing by the Issuer to the Trustee, the Notes Security Trustee, the Noteholders, the Couponholders (or any of them) and/or the Agents under or in connection with, or which the Issuer has covenanted to pay or discharge under or pursuant to, the Trust Deed relating to or in connection with such Series of Notes and/or any of the Relevant Security Documents.

“**Relevant Security Documents**”	:	In relation to a Series of Notes, the Relevant Account Bank Agreement, the Relevant Account Charge and any and every other document from time to time executed (whether by the Issuer or otherwise) to secure or otherwise assure the performance of the obligations of the Issuer under or in connection with the Trust Deed (only in respect of such Series of Notes), such Series of Notes, the Coupons and/or a Talon, as amended, varied or supplemented from time to time.
“**Relevant Transaction Documents**”	:	In relation to each Series of Securities, the Issue Documents and (if applicable to a Series of Notes) the Relevant Security Documents securing that Series of Notes.
“**RSP Group**”	:	RSP Holdings Pte. Ltd. and its subsidiaries.
“**RTAC**”	:	Reproductive Technology Accreditation Committee of the Fertility Society of Australia.
“**Securities**”	:	The Notes and the Perpetual Securities.
“**Securities Act**”	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
“**Security Documents**”	:	The Relevant Account Bank Agreements, the Relevant Account Charges and any and every other document from time to time executed (whether by the Issuer or otherwise) to secure or otherwise assure the performance of the obligations of the Issuer under or in connection with the Trust Deed, the Notes, the Coupons and Talons, as amended, varied or supplemented from time to time.
“**Securityholders**”	:	The Noteholders and the Perpetual Securityholders.
“**Senior Perpetual Securities**”	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer.
“**Series**”	:	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest or (in the case of Perpetual Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
“**SFA**”	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.

"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**SIBOR**"	:	Singapore Interbank Offered Rate.
"**Subordinated Perpetual Securities**"	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**Talons**"	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**TCM**"	:	Traditional Chinese medicine.
"**THKD**"	:	Thomson Hospital Kota Damansara (formerly known as Tropicana Medical Centre).
"**Temporary Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue.
"**Thomson Fertility Centre**"	:	Thomson Fertility Centre Pte. Ltd.
"**Thomson Medical**"	:	Thomson Medical Pte. Ltd.
"**TMCLS**"	:	TMC Life Sciences Berhad.
"**Tranche**"	:	Securities which are identical in all respects (including as to listing).
"**Transaction Documents**"	:	The Issue Documents and the Security Documents.
"**Trust Deed**"	:	The trust deed dated 28 June 2019 made between (1) the Issuer, as issuer, (2) the Trustee, as trustee, and (3) the Notes Security Trustee, as security trustee, as amended, varied and supplemented by a supplemental trust deed dated 21 April 2023 made between the same parties and as amended, restated or supplemented from time to time.
"**Trustee**"	:	DB International Trust (Singapore) Limited.
"**United States**" or "**U.S.**"	:	United States of America.

“**VBHC**”	:	Vantage Bay Healthcare City.
“**MYR**”	:	Malaysia ringgit, the lawful currency of Malaysia.
“**S$**” and “**cents**”	:	Singapore dollars and cents respectively, the lawful currency of Singapore.
“**Sterling Pound**”	:	Pound Sterling, the lawful currency of the United Kingdom.
“**US$**” or “**US dollars**”	:	United States dollars, the lawful currency of the United States of America.
“**%**”	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Ng Ser Miang Lim Wee Kiat Heng Jun Li Melvin Wilson Sam Wan Nadiah Binti Wan Mohd Abdullah Yaakob Ong Pang Liang Lam Lee G Christina Teo June Leong Lai Ling
Company Secretary	:	Foo Soon Soo
Registered Office	:	101 Thomson Road #20-04/05 United Square Singapore 307591
Independent Auditors to the Issuer	:	Ernst & Young LLP North Tower Level 18 One Raffles Quay Singapore 048583
Arranger and Dealer of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Trustee, the Notes Security Trustee, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Principal Paying Agent and CDP Registrar	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent and Non-CDP Registrar	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Trustee for the Securityholders and Notes Security Trustee for the Noteholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Thomson Medical Group Limited.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee and Notes Security Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch.
Description	:	S$1,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S$1,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the Programme Agreement.
Purpose	:	The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes of the Group, including refinancing of borrowings, financing potential acquisitions, strategic expansions, general working capital, capital expenditure and other investments of the Group or such purposes as may be specified in the relevant Pricing Supplement.

Non-Disposal Covenant : The Issuer has covenanted with (so long as any of the Notes or any part of the Relevant Secured Debt remains outstanding) each of the Trustee and the Notes Security Trustee in the Trust Deed and (so long as any of the Perpetual Securities remains outstanding) the Trustee in the Trust Deed, that it will not, and will ensure that none of its Principal Subsidiaries (as defined in the Trust Deed) will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 20.1.28 of the Trust Deed, is substantial in relation to the assets of the Group, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 20.1.28 of the Trust Deed:

(i) any disposal made in the ordinary course of business on normal commercial terms and on an arm's length basis;

(ii) any disposal of assets which are obsolete, excess or no longer required for the purposes of its business;

(iii) any disposal of assets in exchange for other assets which are comparable or superior as to nature, value and quality;

(iv) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;

(v) any disposal of assets from one Principal Subsidiary to (1) the Issuer, (2) another Principal Subsidiary or (3) a subsidiary of the Issuer provided that such subsidiary becomes a Principal Subsidiary after such transfer;

(vi) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(vii) any disposal of the ordinary shares of TMCLS subject to TMCLS remaining a subsidiary of the Issuer following such disposal;

(viii) any disposal of the piece of land (in whole or in part) held under the issue document of title known as HSD 523549, Lot PTB 24076, Daerah Johor Bahru, Bandar Johor Bahru, Negeri Johor; and

(ix) any disposal approved by the Securityholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

NOTES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Tenor	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

		Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.

		Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Notes	:	The Notes and Coupons will constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. If the Relevant Account Charge is specified as being applicable in the relevant Pricing Supplement, the Notes and the Coupons shall be secured by the Relevant Security Documents.
Security	:	The Issuer's obligations under each Series of Notes, the Coupons and the Talons relating to such Series of Notes and the Trust Deed (only in respect of such Series of Notes) may be secured by the Relevant Security Documents. Each Series of Notes may be secured by the Relevant Interest Service Reserve Account. Under the terms of each Relevant Account Charge, it is expected that an amount equivalent to at least six months of coupon payments will be deposited and maintained in the Relevant Interest Service Reserve Account for the purpose of each Series of Notes.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.

Redemption upon Cessation or Suspension of Trading of Shares at the option of Noteholders	:	In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date. For the purposes of this paragraph: (1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of 10 market days; and (2) "**market day**" means a day on which the SGX-ST is open for securities trading.
Redemption for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(j) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Negative Pledge	:	The Issuer has covenanted with each of the Trustee and the Notes Security Trustee in the Trust Deed that so long as any of the Notes, Coupons or any part of the Relevant Secured Debt remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (other than TMCLS) will, create or have outstanding any security upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, (1) other than any security created pursuant to any of the Security Documents, or (2) unless at the same time or prior thereto the Notes and the Coupons are accorded (A) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (B) such other security or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders. For the purposes of the above paragraph, "**Relevant Indebtedness**" means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market. If the Relevant Account Charge is specified as being applicable in the relevant Pricing Supplement, the Issuer shall further covenant with each of the Trustee and the Notes Security Trustee in the Trust Deed that so long as any of the Notes or any part of the Relevant Secured Debt remains outstanding, it will not create or have outstanding any security over the Relevant Charged Property (as defined in the Trust Deed), other than: (1) any security constituted by or arising pursuant to or contemplated by the terms of the Trust Deed and the Relevant Security Documents; and (2) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

Financial Covenants	:	The Issuer has covenanted with each of the Trustee and the Notes Security Trustee in the Trust Deed that so long as any of the Notes or any part of the Relevant Secured Debt remains outstanding, it will ensure that: (i) the Consolidated Total Equity shall not at any time be less than S$450,000,000; and (ii) the ratio of Consolidated Net Debt to Consolidated Total Equity shall not at any time be more than 2.5:1. Terms used in this paragraph have the meaning ascribed to them in the Conditions.
Events of Default	:	See Condition 10 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Taxation – Singapore taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

PERPETUAL SECURITIES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Perpetual Securities may be issued at par or at a discount, or premium, to par.
No Fixed Maturity	:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.
Distribution Basis	:	Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities	:	Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).

Distribution Discretion	:	If Optional Payment is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in Condition 4(II)(a) of the Perpetual Securities) by giving notice to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations (as defined in Condition 4(IV)(a)(A) of the Perpetual Securities) or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations (as defined in Condition 4(IV)(a)(B) of the Perpetual Securities); or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

Non-Cumulative Deferral and Cumulative Deferral	:	If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a pro rata basis. If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full. If Additional Distribution is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment	:	If Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of its subsidiaries shall: (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Specified Parity Obligations; or (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Specified Parity Obligations, in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities	:	The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Perpetual Securities, a Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.
Custody of the Perpetual Securities	:	Perpetual Securities which are to be listed on the SGX-ST may be cleared through CDP. Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Senior Perpetual Securities	:	The Senior Perpetual Securities and Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in Condition 3(b)(i) of the Perpetual Securities) of the Issuer.

Subordination of the Subordinated Perpetual Securities	:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up (as defined in Condition 9(b) of the Perpetual Securities) of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of, and distribution and any other amounts in respect of, the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
Set-off in relation to the Subordinated Perpetual Securities	:	Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
Redemption at the Option of the Issuer	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) (if any) to (but excluding) the date fixed for redemption.

Redemption for Taxation Reasons	:	If so provided on the face of the Perpetual Securities and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(a) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(b) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement; and

(b) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS(I)**") or any other accounting standards that may replace SFRS(I) for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.
Redemption for Tax Deductibility	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if: (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of: (a) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date; (b) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(c) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Redemption upon Cessation or Suspension of Trading of Shares	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation/Suspension of Trading Event. For the purposes of the above paragraph: (1) a "**Cessation/Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days; and (2) "**market day**" means a day on which the SGX-ST is open for securities trading.
Limited right to institute proceedings in relation to Perpetual Securities	:	The right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Proceedings for Winding-Up	:	If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer, (ii) the Issuer fails to make payment of any principal payable by it under any of the Perpetual Securities when due or (iii) the Issuer fails to make payment of any distribution or any other amount payable by it under any of the Perpetual Securities (other than principal) for a period of three business days after the date on which such payment is due (each an "**Enforcement Event**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

Taxation	:	All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on – "Taxation – Singapore Taxation" herein.
Listing	:	Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Perpetual Securities is approved, for so long as such Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.
Governing Law	:	The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s)representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, and not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted and secured by a Trust Deed dated 28 June 2019 made between (1) Thomson Medical Group Limited (the "**Issuer**"), as issuer, (2) DB International Trust (Singapore) Limited, as trustee for the Securityholders (as defined in the Trust Deed) (in such capacity, the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed) and (3) DB International Trust (Singapore) Limited, as security trustee for the Noteholders (as defined below) (in such capacity, the "**Notes Security Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the security trustee or security trustees of the Trust Deed) (as amended, varied and supplemented by a supplemental trust deed dated 21 April 2023 made between the same parties and as further amended, restated or supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 28 June 2019 (as amended, varied and supplemented by a supplemental deed of covenant dated 21 April 2023 and as further amended or supplemented from time to time, the "**Deed of Covenant**"), relating to the Notes cleared or to be cleared through the CDP System (as defined in the Trust Deed) ("**CDP Notes**") executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement dated 28 June 2019 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent in respect of CDP Notes (in such capacity, the "**Principal Paying Agent**") and registrar and transfer agent in respect of CDP Notes (in such capacity, the "**CDP Registrar**"), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Notes cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Notes**") (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**") and registrar and transfer agent in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Registrar**" and, together with the CDP Registrar and any other transfer agents that may be appointed, the "**Transfer Agents**"), and (4) the Trustee, as trustee for the Securityholders (as amended, restated or supplemented from time to time, the "**Agency Agreement**"). The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed), the Relevant Security Documents (as defined in the Trust Deed) (if applicable) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Paying Agent, and (b) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar and (unless the context otherwise requires) all such references shall be construed accordingly. Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement, the Relevant Security Documents and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown hereon. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or any such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the Issuer, the Trustee and the Notes Security Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer, the Trustee and the Notes Security Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes: Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and registrations and issues of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. If the Relevant Account Charge (as defined in the Trust Deed) is specified as being applicable in the relevant Pricing Supplement, the Notes and the Coupons shall be secured by the Relevant Security Documents (as defined in the Trust Deed).

4. Negative Pledge, Financial Covenants and Other Covenants

(a) Negative Pledge

(i) The Issuer has covenanted with each of the Trustee and the Notes Security Trustee in the Trust Deed that so long as any of the Notes, Coupons or any part of the Relevant Secured Debt (as defined in the Trust Deed) remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined below) (other than TMC Life Sciences Berhad ("**TMCLS**")) will, create or have outstanding any security upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, (1) other than any security created pursuant to any of the Security Documents (as defined in the Trust Deed), or (2) unless at the same time or prior thereto the Notes and the Coupons are accorded (A) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (B) such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition 4(a), "**Relevant Indebtedness**" means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

(ii) If the Relevant Account Charge is specified as being applicable in the relevant Pricing Supplement, the Issuer shall further covenant with each of the Trustee and the Notes Security Trustee in the Trust Deed that so long as any of the Notes or any part of the Relevant Secured Debt remains outstanding, it will not create or have outstanding any security over the Relevant Charged Property (as defined in the Trust Deed), other than:

(1) any security constituted by or arising pursuant to or contemplated by the terms of the Trust Deed and the Relevant Security Documents; and

(2) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with each of the Trustee and the Notes Security Trustee in the Trust Deed that so long as any of the Notes or any part of the Relevant Secured Debt remains outstanding, it will ensure that:

(i) the Consolidated Total Equity shall not at any time be less than S$450,000,000; and

(ii) the ratio of Consolidated Net Debt to Consolidated Total Equity shall not at any time be more than 2.5:1.

For the purposes of these Conditions:

(1) "**Consolidated Net Debt**" means Consolidated Total Debt less cash and short-term deposits balances;

(2) "**Consolidated Total Debt**" means an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(a) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months of the Group;

(b) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(c) the liabilities of the Issuer under the Trust Deed or the Notes;

(d) all other indebtedness whatsoever of the Group for borrowed moneys; and

(e) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group; and

(3) "**Consolidated Total Equity**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(a) the amount paid up or credited as paid up on the issued share capital of the Issuer;

(b) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, revaluation reserves and profit and loss account) of the Group on a consolidated basis; and

(c) the amount reflected as non-controlling interests of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(1) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraphs (a) and (b) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(2) excluding any sums set aside for future taxation; and

(3) deducting:

(aa) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group; and

(bb) any debit balances on consolidated profit and loss account.

For the avoidance of doubt, for the purposes of these definitions, any Perpetual Securities issued by the Issuer or any other member of the Group which are accounted for as "equity" shall be treated as such (and not as debt).

(c) Non-Disposal Covenant

The Issuer has further covenanted with each of the Trustee and the Notes Security Trustee in the Trust Deed that so long as any of the Notes or any part of the Relevant Secured Debt remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this Condition 4(c), is substantial in relation to the assets of the Group, taken as a whole, or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under this Condition 4(c):

(i) any disposal made in the ordinary course of business on normal commercial terms and on an arm's length basis;

(ii) any disposal of assets which are obsolete, excess or no longer required for the purposes of its business;

(iii) any disposal of assets in exchange for other assets which are comparable or superior as to nature, value and quality;

(iv) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;

(v) any disposal of assets from one Principal Subsidiary to (1) the Issuer, (2) another Principal Subsidiary or (3) a subsidiary of the Issuer provided that such subsidiary becomes a Principal Subsidiary after such transfer;

(vi) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(vii) any disposal of the ordinary shares of TMCLS subject to TMCLS remaining a subsidiary of the Issuer following such disposal;

(viii) any disposal of the piece of land (in whole or in part) held under the issue document of title known as HSD 523549, Lot PTB 24076, Daerah Johor Bahru, Bandar Johor Bahru, Negeri Johor; and

(ix) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

For the purposes of the Trust Deed and these Conditions,

(1) "**Principal Subsidiaries**" means, at any particular time, any subsidiary of the Issuer:

(aa) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(bb) whose total revenue, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total revenue of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of the Issuer (the "**transferee**") then:

(I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(II) if any part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of (x) the date of issue of the first audited consolidated accounts of the Group prepared as of a date later than the date of the relevant transfer which show the total assets, or (as the case may be) total revenue as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets, or, as the case may be, 20 per cent. of the total revenue of the Group, as shown by such audited consolidated accounts, or (y) the date of a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets, or (as the case may be) total revenue of such subsidiary to be less than 20 per cent. of the total assets or, as the case may be, 20 per cent. of the total revenue, of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act 1967 of Singapore.

5. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 5(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to (but excluding) the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 5(II)(d)) shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(d)) for any Fixed Rate Interest Period (as defined below) in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (as defined in Condition 5(II)(d)).

For the purposes of these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number**

of Months") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to (but excluding) the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(C) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Principal Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Principal Paying Agent, the Non-CDP Paying Agent (if applicable) and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and in the principal financial centre for that currency;

"**Calculation Agent**" means, in relation to any Series of Notes, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent (in consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement specified in the Pricing Supplement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of such Hybrid Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(j)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(j)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee, the Notes Security Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. In the case of Variable Rate Notes, if so required by the Issuer having given reasonable notice in writing and at the Issuer's expense, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as reasonably practicable after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of the Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of the Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes or Certificates representing such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Notes.

(e) Redemption at the Option of the Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(j) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee a certificate signed by one Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing, which shall be addressed to the Trustee, to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Noteholders.

(g) Redemption upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date (as defined below). The Issuer shall within seven days after the Effective Date, give written notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Issuer (as applicable) no later than 21 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(g):

(1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of 10 market days; and

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(i) Purchases

The Issuer and/or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its related corporations shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Principal Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(j) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of its related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown as the holder thereof on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the

Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation Agents; provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Paying Agent, as the case may be, (ii) a Registrar in relation to Registered Notes and (iii) a Calculation Agent where the Conditions so require.

Notice of any such change of appointment or any change of any specified office will be given by the Issuer to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee materially and adversely affect the interests of the holders of the Notes or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement).

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may (but is not obliged to), and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay (i) any principal payable by it under any of the Notes or the Relevant Transaction Documents (as defined in the Trust Deed) when due at the place at and in the currency in which it is expressed to be payable or (ii) any interest or any other sum (other than principal) payable by it under any of the Notes or the Relevant Transaction Documents at the place at and in the currency in which it is expressed to be payable when due and such default continues for a period of three business days after the due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Relevant Transaction Documents or any of the Notes and if that default is capable of remedy, it is not remedied within 30 days of the Trustee giving notice to the Issuer requiring the same to be remedied;

(c) any representation, warranty or statement by the Issuer in any of the Relevant Transaction Documents or any of the Notes or in any document delivered under any of the Relevant Transaction Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the circumstances resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 30 days of the Trustee giving notice to the Issuer requiring the same to be remedied;

(d) (i) any other indebtedness of the Issuer or any of the Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any default, event of default or the like (however described) or is not paid when due (taking into account any originally applicable grace period specified in any agreement relating to that indebtedness); or

(ii) the Issuer or any of the Principal Subsidiaries fails to pay when properly called upon to do so, any amount payable by it under any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this paragraph (d)(i) or (d)(ii) has or have occurred equals or exceeds S$15,000,000 (or its equivalent in the currency in which it is expressed to be payable);

(e) the Issuer or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any part which it will otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or any material part of its indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of creditors (or any class of them) or a moratorium is agreed, effected, declared or otherwise arises by operation of law in respect of or affecting all or any material part of (or of a particular type of) the indebtedness or (pursuant to an order of court that is issued in connection with a compromise or an arrangement proposed or intended to be proposed between the Issuer or any of its Principal Subsidiaries and its creditors or any class of those creditors) property of the Issuer or any of the Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 21 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of the Principal Subsidiaries becomes enforceable;

(h) any meeting is convened or any petition or originating summons is presented or any order is made or any resolution is passed or any other procedure or proceeding is taken for the winding-up or dissolution of the Issuer or any of the Principal Subsidiaries (except (i) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, (ii) in the case of a Principal Subsidiary only, where such winding-up does not involve insolvency and would not have a material adverse effect on the Issuer or (iii) in the case of the Issuer only, for a reconstruction, amalgamation, merger, consolidation or reorganisation (1) which is made on solvent terms, (2) where the Issuer remains a surviving entity and (3) which would not have a material adverse effect on the Issuer) or any step, corporate action or legal proceeding is taken by any person for the appointment of a liquidator, receiver, manager, judicial manager, trustee, administrator, agent or similar officer (in each case, including any provisional, interim or temporary officer or appointee) of the Issuer or any of the Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries;

(i) the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business (except (i) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary only, where such cessation does not involve insolvency and would not have a material adverse effect on the Issuer) or (except as permitted by, and in accordance with, Clause 20.1.28 of the Trust Deed) disposes or threatens to dispose of the whole or any material part of its property or assets;

(j) any step is taken by any person acting under the authority of any national, regional or local governmental authority or agency with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer or any of its subsidiaries which has or is likely to have a material adverse effect on the Issuer;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 19.4 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Relevant Transaction Documents or any of the Notes;

(m) any of the Relevant Transaction Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding against the Issuer or any of the Principal Subsidiaries (other than those of a frivolous or vexatious nature which are discharged within 45 days of its commencement) is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Relevant Transaction Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j);

(p) the security created by any of the Relevant Security Documents (if any) ceases for any reason to apply to the moneys or obligations secured thereby or any of the Relevant Security Documents (if any) is in jeopardy; and

(q) the Issuer or any of its subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part 9 of the Companies Act 1967 of Singapore.

11. Enforcement of Rights

(a) Enforcement of Rights by Trustee

At any time after an Event of Default shall have occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes (together with accrued interest) or to enforce the provisions of the Relevant Transaction Documents, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

(b) Enforcement of Rights by Notes Security Trustee

At any time after the security created by the Relevant Security Documents (if any) shall have become enforceable, the Notes Security Trustee may, at its discretion and shall, (subject to the provisions of this Condition 11(b)) upon the request in writing by the holders of not less than 25 per cent. in principal amount of the Notes outstanding or if so directed by an Extraordinary Resolution, without any further consent of or demand upon or notice to the Noteholders or the Issuer, and without being responsible for any loss or damage which may arise or be occasioned thereby:

(i) enter upon or take possession of the Relevant Charged Property (as defined in the Trust Deed) or any other property subject to the Relevant Security Documents or any part thereof; and/or

(ii) sell, call in, collect and convert into money or otherwise deal with the Relevant Charged Property or any other property subject to the Relevant Security Documents or any part thereof in such manner and for such consideration as the Notes Security Trustee shall think fit; and/or

(iii) exercise all the powers conferred upon the Notes Security Trustee pursuant to the Relevant Security Documents and the Trust Deed,

but the Notes Security Trustee shall not be bound to take any such proceedings unless (1) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (2) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Notes Security Trustee, having become bound as aforesaid to take proceedings, fails or neglects to do so within a reasonable period and such failure or neglect is continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

Each of the Trustee and the Notes Security Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Relevant Transaction Documents which in the opinion of the Trustee or, as the case may be, the Notes Security Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant Stock Exchange, Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Relevant Transaction Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Relevant Transaction Documents which is in the opinion of the Trustee or, as the case may be, the Notes Security Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) each of the Trustee and the Notes Security Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. Indemnification of the Trustee and the Notes Security Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and the Notes Security Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling each of the Trustee and the Notes Security Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and neither the Trustee nor the Notes Security Trustee shall at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee or the Notes Security Trustee in respect thereof.

16. Notices

Notices to the holders of Registered Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if published on the website of the SGX-ST at http://www.sgx.com. Any such notice shall be deemed to have been given to the Noteholders on the date of such publication or, if published more than once, on the first date on which publication is made.

Until such time as any Definitive Notes are issued, there may, so long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) No Immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

18. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

Principal Paying Agent and CDP Registrar
Deutsche Bank AG, Singapore Branch
One Raffles Quay
#16-00 South Tower
Singapore 048583

Non-CDP Paying Agent and Non-CDP Registrar
Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to "**Perpetual Securities**" are to the Perpetual Securities of one Series only, and not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a Trust Deed dated 28 June 2019 made between (1) Thomson Medical Group Limited (the "**Issuer**"), as issuer, (2) DB International Trust (Singapore) Limited, as trustee for the Securityholders (as defined in the Trust Deed) (in such capacity, the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed) and (3) DB International Trust (Singapore) Limited, as security trustee for the Noteholders (as defined below) (in such capacity, the "**Notes Security Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the security trustee or security trustees of the Trust Deed) (as amended, varied and supplemented by a supplemental trust deed dated 21 April 2023 made between the same parties and as further amended, restated or supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 28 June 2019 (as amended, varied and supplemented by a supplemental deed of covenant dated 21 April 2023 and as further amended or supplemented from time to time, the "**Deed of Covenant**"), relating to the Perpetual Securities cleared or to be cleared through the CDP System (as defined in the Trust Deed) ("**CDP Perpetual Securities**") executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement dated 28 June 2019 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent in respect of CDP Perpetual Securities (in such capacity, the "**Principal Paying Agent**") and registrar and transfer agent in respect of CDP Perpetual Securities (in such capacity, the "**CDP Registrar**"), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Perpetual Securities cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Perpetual Securities**") (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**") and registrar and transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the "**Non-CDP Registrar**" and, together with the CDP Registrar and any other transfer agents that may be appointed, the "**Transfer Agents**"), and (4) the Trustee, as trustee for the Securityholders (as amended, restated or supplemented from time to time, the "**Agency Agreement**"). The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Paying Agent, and (b) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (unless the context otherwise requires) all such references shall be construed accordingly. Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**"), in each case in the Denomination Amount shown hereon. Subject to applicable laws, in the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

(i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or any such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) No Exchange of Perpetual Securities: Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities: Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities: In the case of an exercise of the Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge: Transfers of Perpetual Securities and registrations and issues of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

(f) Closed Periods: No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which the Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) Senior Perpetual Securities: This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) Subordinated Perpetual Securities: This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, "**Parity Obligation**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) **Ranking of claims on Winding-up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of, and distribution and any other amounts in respect of, the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

(c) Non-Disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Perpetual Securities remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this Condition 3(c), is substantial in relation to the assets of the Group, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under this Condition 3(c):

(i) any disposal made in the ordinary course of business on normal commercial terms and on an arm's length basis;

(ii) any disposal of assets which are obsolete, excess or no longer required for the purposes of its business;

(iii) any disposal of assets in exchange for other assets which are comparable or superior as to nature, value and quality;

(iv) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;

(v) any disposal of assets from one Principal Subsidiary to (1) the Issuer, (2) another Principal Subsidiary or (3) a subsidiary of the Issuer provided that such subsidiary becomes a Principal Subsidiary after such transfer;

(vi) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(vii) any disposal of the ordinary shares of TMC Life Sciences Berhad ("**TMCLS**") subject to TMCLS remaining a subsidiary of the Issuer following such disposal;

(viii) any disposal of the piece of land (in whole or in part) held under the issue document of title known as HSD 523549, Lot PTB 24076, Daerah Johor Bahru, Bandar Johor Bahru, Negeri Johor; and

(ix) any disposal approved by the Perpetual Securityholders by way of an Extraordinary Resolution.

For the purposes of the Trust Deed and these Conditions,

(1) "**Principal Subsidiaries**" means, at any particular time, any subsidiary of the Issuer:

(aa) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(bb) whose total revenue, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total revenue of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of the Issuer (the "**transferee**") then:

(I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(II) if any part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of (x) the date of issue of the first audited consolidated accounts of the Group prepared as of a date later than the date of the relevant transfer which show the total assets, or (as the case may be) total revenue as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets, or, as the case may be, 20 per cent. of the total revenue of the Group, as shown by such audited consolidated accounts, or (y) the date of a report by the Auditors (as defined in the Trust

Deed) as described below dated on or after the date of the relevant transfer which shows the total assets, or (as the case may be) total revenue of such subsidiary to be less than 20 per cent. of the total assets or, as the case may be, 20 per cent. of the total revenue, of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act 1967 of Singapore.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date (as defined in Condition 4(II)(c)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to (but excluding) the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement),

(1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate,

provided always that if Redemption upon Cessation or Suspension of Trading Event is specified on the face of such Perpetual Security and a Cessation/Suspension of Trading Margin is specified in the applicable Pricing Supplement, in the event that a Cessation/Suspension of Trading Event (as defined in Condition 5(g)) has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Distribution Rate shall be increased by the Cessation/Suspension of Trading Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Cessation/ Suspension of Trading Event occurred (or, if the Cessation/Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation/Suspension of Trading Margin (if applicable, as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(I)(b)(ii) above; and

"**Swap Offer Rate**" means:

(aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and

(dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) Calculation of Distribution Rate or Reset Distribution Rate

The Calculation Agent will, on the second business day prior to each Fixed Rate Determination Date, determine the applicable Reset Distribution Rate or (if a Cessation/ Suspension of Trading Event has occurred) the applicable Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In these Conditions, "**Fixed Rate Determination Date**" means each Step-Up Date, each Reset Date or (if a Cessation/Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation/Suspension of Trading Event occurred (or, if the Cessation/Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

(d) Notification of Relevant Distribution Rate or Reset Distribution Rate

The Calculation Agent will cause the applicable Reset Distribution Rate or (if a Cessation/Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Principal Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate or (if a Cessation/Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Registrar, the Transfer Agent, the Trustee and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) Determination or Calculation by Trustee

If the Calculation Agent does not at any material time determine or calculate the applicable Distribution Rate or the applicable Reset Distribution Rate (as the case may be), the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(c)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, "**Fixed Rate Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these

Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to (but excluding) the Relevant Date.

(b) Rate of Distribution – Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The "Spread" and the Step-Up Spread are the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the "**Rate of Distribution**".

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent;

(C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(C) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and in the principal financial centre for that currency;

"**Calculation Agent**" means, in relation to any Series of Perpetual Securities, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

"**Calculation Amount**" means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

"**Distribution Determination Date**" means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Issue Date**" means the date specified as such in the applicable Pricing Supplement;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent (in consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Perpetual Securities are denominated;

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

"**Relevant Time**" means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the "**Distribution Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Calculation Agent will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution

Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event (as defined below) occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed), (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

(A) "**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities; and

(B) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

If Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Principal Paying Agent, by a certificate signed by a director or a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Principal Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No obligation to pay

If Optional Payment is set out hereon and subject to Conditions 4(IV)(c) and 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations, in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a Winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) (if any) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the Income Tax Act 1947 of Singapore (the "**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement; and

(2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee (A) a certificate signed by one Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent legal, tax or any other professional advisers of recognised standing, which shall be addressed to the Trustee, to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS(I)**") or any other accounting standards that may replace SFRS(I) for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee:

(i) a certificate signed by one Director of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above and shall not be responsible for determining or verifying the circumstances set out in such certificate, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by one Director of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and (B) in the case of a notice of redemption pursuant to Condition 5(e)(i) only, an opinion of the Issuer's independent tax or legal adviser of recognised standing stating the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above and shall not be responsible for determining or verifying the circumstances set out in such certificate, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued (if any) to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon Cessation or Suspension of Trading of Shares

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation/Suspension of Trading Event.

For the purposes of these Conditions:

(i) a "**Cessation/Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days; and

(ii) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Purchases

The Issuer and/or any of its related corporations may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of its related corporations shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Principal Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of its related corporations may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Distribution in respect of Registered Perpetual Securities

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).

(ii) Distribution on Registered Perpetual Securities shall be paid to the person shown as the holder thereof on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation Agents; provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Perpetual Securities) a Non-CDP Paying Agent, as the case may be, (ii) a Registrar in relation to Registered Perpetual Securities and (iii) a Calculation Agent where the Conditions so require.

Notice of any such change of appointment or any change of any specified office will be given by the Issuer to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee materially and adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement).

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relevant Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**distribution**" shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**distribution**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer, (ii) the Issuer fails to make payment of any principal payable by it under any of the Perpetual Securities when due or (iii) the Issuer fails to make payment of any distribution or any other amount payable by it under any of the Perpetual Securities (other than principal) for a period of three business days after the date on which such payment is due (each an "**Enforcement Event**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

For the purposes of these Conditions, "**Winding-up**" means bankruptcy, winding-up, liquidation, receivership, judicial management or similar proceedings.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-up or claim in the liquidation of the Issuer or to prove in such Winding-up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities.

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Perpetual Securities or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant Stock Exchange, Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and such modification, authorisation or waiver shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders).

It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are listed on the SGX-ST, notices to the holders of such Perpetual Securities shall also be valid if published on the website of the SGX-ST at http://www.sgx.com. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the date of such publication or, if published more than once, on the first date on which publication is made.

Until such time as any Definitive Securities are issued, there may, so long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Perpetual Security or Perpetual Securities, with the Principal Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition 14, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) No Immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

Principal Paying Agent and CDP Registrar
Deutsche Bank AG, Singapore Branch
One Raffles Quay
#16-00 South Tower
Singapore 048583

Non-CDP Paying Agent and Non-CDP Registrar
Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

THE ISSUER

1. BACKGROUND AND HISTORY

The Issuer was incorporated in Singapore on 31 December 1999 as a private limited company under the name of asp Holdings Pte Ltd, which through its subsidiaries provided, amongst other services, information technology training and software development work. On 9 June 2000, asp Holdings Pte Ltd changed its name to aspnetcentre Pte Ltd. On 20 June 2002, aspnetcentre Pte Ltd changed its name to aspnetcentre Ltd in conjunction with its conversion into a public company and the shares were listed on the Main Board of the SGX-ST on 10 July 2002.

On 16 October 2003, aspnetcentre Ltd changed its name to Rowsley Ltd and its primary business activity changed to investments, investment holding and strategic investments and other related activities, with a focus on identifying new investment opportunities locally and overseas that have the potential to increase the Group's revenue streams or provide attractive returns.

In September 2013, Rowsley Ltd made two substantial acquisitions – the Iskandar Land (as defined below) and the RSP Group, one of Singapore's leading architecture, engineering, master planning and design practices. Pursuant to the acquisitions, the Group changed from an investment holding company to an integrated real estate group with investment, development, architecture, engineering, master planning and design services (the "**Real Estate Business**").

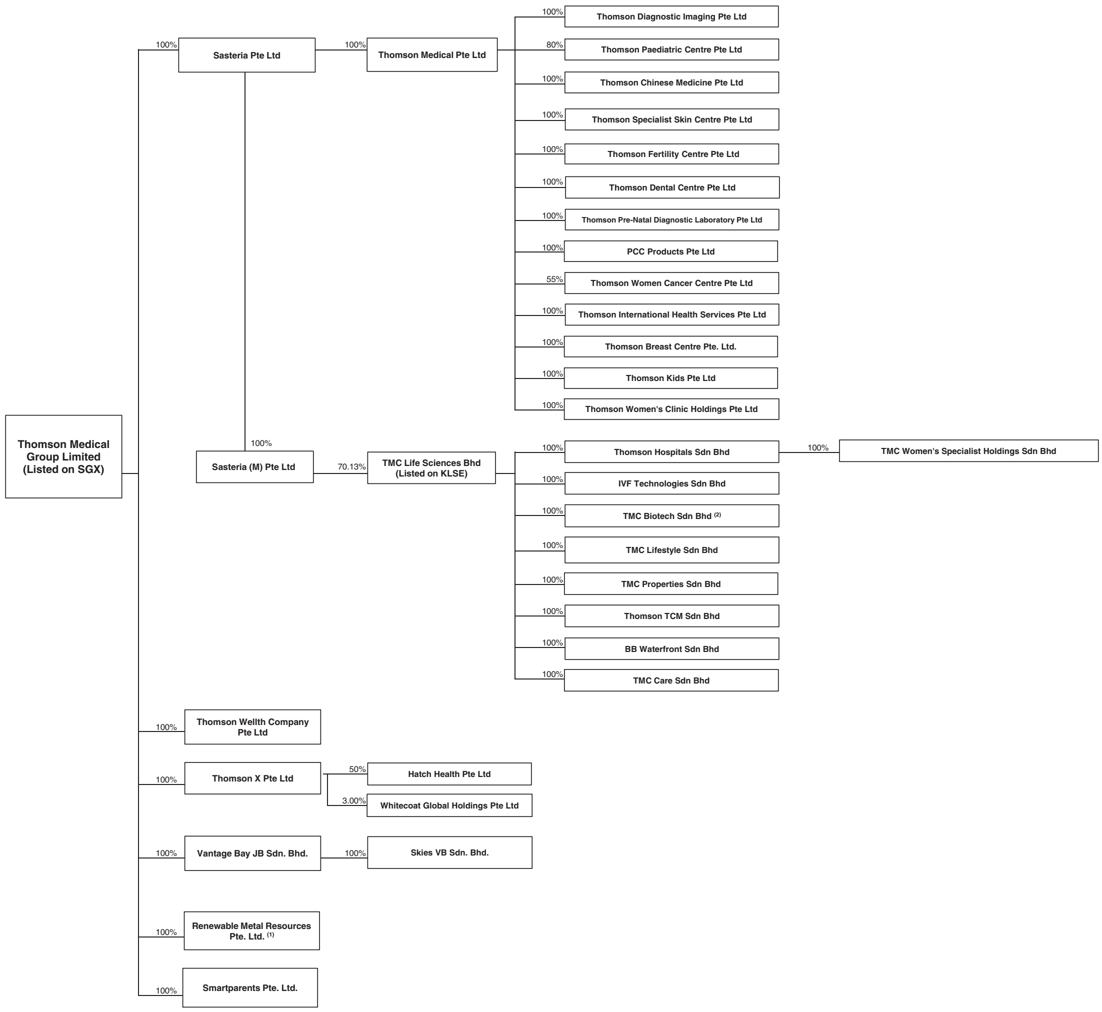
On 18 December 2017, to participate in the expanding healthcare sector, Rowsley Ltd acquired the entire share capital of Sasteria. Sasteria's principal subsidiaries are Thomson Medical Pte. Ltd. ("**Thomson Medical**") and TMC Life Sciences Berhad ("**TMCLS**"). Thomson Medical is a private healthcare service provider for women and children, which owns and operates Thomson Medical Centre and associated specialist clinics in Singapore. TMCLS is a public-listed healthcare company, which provides private healthcare services through Thomson Hospital Kota Damansara ("**THKD**") and TMC Fertility Centres in Malaysia.

To reflect the Group's new focus on healthcare, Rowsley Ltd changed its name to "Thomson Medical Group Limited" following the completion of the acquisition of Sasteria. On 31 January 2019, the Issuer divested its Real Estate Business via a distribution in specie by way of capital reduction save for the piece of freehold land, measuring 9.2 hectares located within the Iskandar Development Region in Johor Bahru, Malaysia (the "**Iskandar Land**"), which is known as Vantage Bay Healthcare City ("**VBHC**") and is held through Vantage Bay JB Sdn Bhd, and is now a pure play healthcare group. The Iskandar Land will be integrated as part of the Group's healthcare business as it is synergistic to the expansion plan in Johor Bahru with the Thomson Iskandar Medical Hub project.

As at the Latest Practicable Date, the market capitalisation of the Issuer is S$1.77 billion.

2. CORPORATE STRUCTURE

The chart below sets out the Issuer's corporate structure as at the Latest Practicable Date:



(1) In the process of striking off
(2) Under liquidation

3. BUSINESS ACTIVITIES

Listed on the Mainboard of the Singapore Exchange, the Issuer is one of the largest listed healthcare players in the South-East Asian region based on market capitalisation as at the Latest Practicable Date. The Issuer's business includes Thomson Medical, TMCLS and VBHC.

Established in 1979, Thomson Medical is one of the largest private providers of healthcare services for women and children in Singapore. Thomson Medical owns and operates Thomson Medical Centre, a 187-bed hospital focusing on O&G and paediatric services and a network of specialist medical clinics and facilities in Singapore providing outpatient women and children healthcare services, as well as diagnostic imaging, health screening, gynaecological oncology, dentistry, specialist dermatology, traditional Chinese medicine, fertility medicine, pre-natal diagnostic services and breast health.

TMCLS is a multi-disciplinary healthcare company listed on the Main Market of Bursa Malaysia since 2005. It operates its flagship hospital, Thomson Hospital Kota Damansara, a multi-disciplinary tertiary care centre located in Kota Damansara which is equipped with advanced medical technology and modern infrastructure to deliver quality, affordable healthcare solutions and a superior service experience.

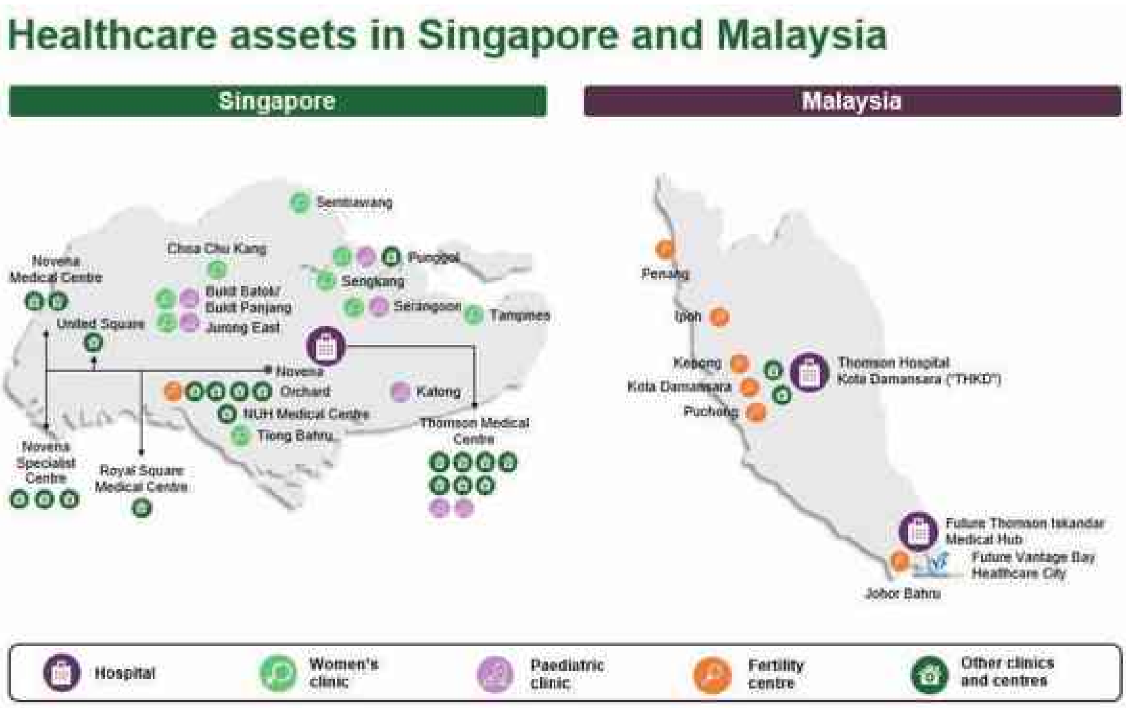
It also operates the award-winning TMC Fertility Centres ("**TMFC**") which offer a comprehensive range of reproductive treatments making it the industry leader in assisted reproduction in Malaysia. TMC Fertility holds the Malaysia Book of Record for the highest number of IVF babies produced by a single IVF practice (5,388 babies as of October 2018 when the award was granted). Since its inception 25 years ago, TMFC has successfully helped couples to conceive more than 6,100 IVF babies through various assisted reproductive techniques.

TMCLS also owns the proposed integrated medical hub, Thomson Iskandar Medical Hub, which will comprise a 500-bed multi-disciplinary tertiary Iskandariah Hospital, medical, allied health and nursing training institutes, medical research facilities, and a 400-suite medical tower complete with retail space to facilitate and provide ancillary services to the operation of the hospital in Johor Bahru, Malaysia. Thomson Iskandar Medical Hub is adjacent to VBHC in Iskandar Malaysia. Sited on freehold waterfront land in Johor Bahru's City Centre, VBHC is conceived as a first-of-its-kind integrated medical, education and wellness hub.

Over the years, the Group has expanded its operations to include new areas of specialties and services beyond O&G and paediatrics to include fertility, oncology, dentistry, dermatology, TCM, wellness and consumer businesses and multi-specialty centres and day surgery centre at Paragon and Woodleigh.

TMG's presence in Singapore and Malaysia

The map below illustrates TMG's operations in Singapore and Malaysia as at the Latest Practicable Date:



Summary financial performance of the Group

Revenue segments

The Group primarily operates in two business segments, namely (1) hospital operations and ancillary services, and (2) specialised and other services in two major markets, Singapore and Malaysia.

The following table sets forth the breakdown of revenue by business segments and by geographical locations (based on the locations of the healthcare assets) of the Group.

Breakdown of revenue by business segments

S$'million	**FY2021**	**FY2022**	**1H2022**	**1H2023**
Hospital operations and ancillary services	142.4	162.5	79.6	91.3
Specialised and other services	97.7	170.9	65.7	92.5
Investment holdings	0.3	0.3	0.1	0.2
Total	240.4	333.7	145.4	184.0

Breakdown of revenue by geographical segments

S$'million	**FY2021**	**FY2022**	**1H2022**	**1H2023**
Singapore	174.4	254.6	108.9	139.0
Malaysia	66.0	79.1	36.5	45.0
Total	240.4	333.7	145.4	184.0

EBITDA

The Group's EBITDA by business segments and geographical locations are as follows:–

Breakdown of EBITDA by business segments

S$'million	**FY2021**	**FY2022**	**1H2022**	**1H2023**
Hospital operations and ancillary services	48.6	50.8	24.1	26.9
Specialised and other services	19.2	60.9	16.5	29.7
Investment holdings	(1.0)	(2.0)	(1.1)	(1.1)
Total	66.8	109.7	39.5	55.5

Breakdown of EBITDA by geographical segments

S$'million	**FY2021**	**FY2022**	**1H2022**	**1H2023**
Singapore	54.4	94.6	33.2	45.8
Malaysia	12.4	15.1	6.3	9.7
Total	66.8	109.7	39.5	55.5

The Group's revenue grew 38.8% from S$240.4 million in FY2021 to S$333.7 million in FY2022. The Group continues to maintain the momentum of its revenue growth and has recorded a growth of 26.5% from S$145.4 million in 1H2022 to S$184.0 million in 1H2023.

EBITDA has improved 64.2% from S$66.8 million in FY2021 to S$109.7 million in FY2022. For 1H2023, EBITDA was higher at S$55.5 million compared to S$39.5 million in 1H2022.

(a) Business Overview of Thomson Medical

Over the years, Thomson Medical has grown beyond its core business of women's and children's healthcare into a multi-disciplinary healthcare provider. From 2010 to the Latest Practicable Date, the Group has grown from 16 to 37 clinics and centres, which include three imaging centres and a pre-natal diagnostic laboratory. The services provided have expanded to include fertility, dentistry, dermatology, wellness, TCM and consumer businesses. In FY2022, Thomson Medical achieved a bed occupancy rate ("**BOR**") (BOR representing the percentage of operational/overnight beds occupied by inpatients) of 52%.

The principal activities of Thomson Medical are categorised into: (1) hospital operations and ancillary services; and (2) specialised and other services.

Hospital operations and ancillary services

Hospital operations and ancillary services comprise the provision of integrated medical healthcare facilities and services for primary, secondary and tertiary healthcare with focus on the areas of O&G and paediatric services, diagnostic imaging services, pharmacy and 24-hour outpatient services which are set out below.

(i) *Thomson Medical Centre*

Thomson Medical Centre is licensed to operate a 187-bed private hospital and specialises in providing O&G and paediatric services. Apart from providing primary and secondary healthcare services, it also provides tertiary healthcare services in the area of neonatal intensive care.

The comprehensive range of services that Thomson Medical Centre has, together with its tenant specialists, provide convenience for patients who require O&G, paediatric and other related services, such as surgical operations, diagnostic imaging, pharmacy and laboratory services.

(ii) *Thomson Diagnostic Imaging Centre*

Thomson Diagnostic Imaging Centre provides X-ray and ultrasound services and is managed by a committed team of experienced radiologists, radiographers and ultra-sonographers, providing a high level of professional diagnostic services, ranging from simple chest X-ray to mammogram and ultrasound. In addition, the centre has a fetal assessment unit which provides tertiary level obstetrics ultra-sonographic screening for fetal abnormalities. This service combines with the cytogenetics services from the pre-natal diagnostic laboratory to provide chromosomal diagnosis of fetal abnormalities.

(iii) *Thomson 24-hour Family Clinic*

Thomson Medical Centre operates a 24-hour family clinic providing general medical consultation for the treatment of common medical ailments which is managed by a team of resident medical officers. The resident medical officers refer their patients with medical conditions requiring specialist attention to one of the specialist clinics for further treatment.

Specialised and other services

The specialised and other services segment includes services provided by Thomson Women's Clinics for O&G, Thomson Paediatric Centres, Thomson Fertility Centre, Thomson Women Cancer Centre, Thomson Dental Centre, Thomson Chinese Medicine, Thomson Specialist Skin Centre, Thomson Kids Specialised Learning and a pre-natal and clinical diagnostic laboratory. It also includes a consumer business segment, comprising products and services.

(i) *Thomson Women's Clinics for O&G*

Started as an initiative by Thomson Medical to provide patients with easy access to healthcare services, Thomson Women's Clinics aim to provide a dedicated and comprehensive range of healthcare programmes for women, focusing on O&G services, through a network of nine Thomson Women's Clinics located strategically throughout Singapore. It currently has one of the largest networks of non-hospital based O&G clinics in Singapore.

Thomson Women's Clinics form an extension of Thomson Medical Centre in the provision of healthcare services, particularly O&G. Patients seen at Thomson Women's Clinics are predominantly referred to Thomson Medical Centre for diagnostic services, deliveries and other gynaecological procedures.

Each of the Thomson Women's Clinics is headed by a specialist. The clinics provide services which include women's health screening, antenatal care, gynaecological screening, fertility treatment, pap smear tests, pelvic ultrasound, menopause care and contraceptive counselling services.

(ii) *Thomson Paediatric Centres*

Thomson Paediatric Centres cater to children of all ages and offer specialist services from neonatal intensive care to general paediatric and behavioural medicine, caring for the physical, mental and psychological development of a child.

(iii) *Thomson Fertility Centre*

Managed by a team of experienced fertility specialists, embryologists, nurses and allied health professionals, Thomson Fertility Centre is a one-stop assisted reproductive technology centre with a full suite of diagnostic and treatment services.

The services that Thomson Fertility Centre provides include:

A. clinical services which include investigations of male and female infertility with graduated treatment options such as IUI, IVF, intracytoplasmic sperm injection, frozen-thawed embryo transfers, assisted hatching, blastocyst culture, and in vitro egg maturation;

B. andrology services to overcome male infertility including microsurgical epididymal sperm aspiration and testicular sperm extraction; and

C. specialised laboratory services supporting all gynaecologists including semen analysis, sperm preparation for IUI and sperm banking for husbands of patients.

The Group delivered Singapore's first IVF triplets in September 1988 and Singapore's and South East Asia's first surviving IVF quadruplets in May 1989.

(iv) *Thomson Women Cancer Centre*

Thomson Women Cancer Centre provides a comprehensive range of screening, prevention, diagnostics and treatment services focusing on women cancer. It is one of the first dedicated centres for women to screen, prevent and treat gynaecological cancers.

(v) *Multi-specialty Centres*

Conceptualised in 2017 with its flagship multi-specialty centre opened at Paragon Medical Centre in 2019, Thomson Specialists (Paragon) offers a full suite of lifestyle and health services under one roof as a nodal centre.

Thomson Specialists (Paragon) expands the service focus of Thomson Medical beyond O&G and paediatrics to promoting preventive health and wellness for individuals. These are one-stop lifestyle clinics which provide a larger platform where several services are co-located to increase convenience for individuals and families to get multiple needs met in one visit. Thomson Specialists (Paragon) clinics adopt a holistic approach to the provision of healthcare services, including preventive care services, regular health screening, referrals to specialist care where required, diagnostic radiology services, consultation and expanding the services beyond health and wellness to a multi-disciplinary specialists care and an in-house Day Surgery centre with up to 9-beds.

In an upcoming expansion, a new nodal centre will be established in Bidadari New Town in June 2023 which will provide access to women's health, paediatrics, traditional Chinese medicine, general practitioner and dentistry services to families.

(vi) *Thomson Dental Centre*

Thomson Dental Centre is one of the largest private stand-alone specialist dental centres in Singapore. It provides a comprehensive range of in-house dental services. It also has an on-site dental laboratory which is fully equipped with 3-D milling technology that is able to produce dental crowns on the same day of the treatment.

(vii) *Consumer business*

Thomson Medical's consumer business includes parentcraft services such as child-birth education, breast-feeding counselling, confinement food home delivery services, training for confinement nanny and Thomson-developed mother and baby products under the house brand Essential by Thomson Medical.

(viii) *Other centres and laboratories*

The centres and laboratories comprise the following:

A. Thomson Chinese Medicine Clinics provide traditional Chinese medicine services which focus on women's wellness, pregnancy and fertility, children's health and baby massages.

B. Thomson Specialist Skin Centre offers dermatology services ranging from medical dermatology, aesthetic dermatology, dermatology concerns arising from skin cancers and sexually-transmitted infections.

C. Thomson Breast Centre is a one-stop surgical breast centre dedicated to the diagnosis and treatment of all breast-related concerns.

D. Thomson Kids Specialised Learning is 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.

E. Thomson Surgical Centre is a one-stop facility offering a comprehensive suite of surgical specialities, covering most major women conditions.

F. Pre-natal diagnostic laboratory provides services that include identification of chromosomal abnormalities for patients.

G. Clinical diagnostic laboratory offers a comprehensive range of clinical laboratory services which include haematology, biochemistry, immunology, microbiology and histopathology services.

(b) Business Overview of TMCLS

TMCLS offers world class fertility treatment and technologies through its flagship hospital, THKD, six fertility clinics, one TCM clinic and one pharmacy in Malaysia. THKD, which commenced its operations in December 2008, is located in Kota Damansara, Petaling Jaya, Malaysia, and is a multi-disciplinary tertiary hospital equipped with advanced medical technology and modern infrastructure to deliver quality, value-driven healthcare services to local and international patients from across the region. The hospital is served by a panel of more than 131 consultant specialists, covering over 50 areas of medical specialties and sub-specialties. In FY 2022, THKD achieved a BOR of 53%. The core disciplines of THKD include fertility and reproductive health; diabetic and kidney care; ear, nose, throat ("**ENT**"), head and neck laser surgery; orthopaedic, spine and sports injury, heart and lung care; gastroenterology and liver care; general, cancer and minimally invasive surgery; breast and endocrine surgery; hand and microsurgery; aesthetic and plastic reconstructive; ophthalmological, as well as the full range of women and paediatric services. In recent years, THKD also launched new specialised centres such as the Orthopaedic and Trauma Centre in August 2016, the Diabetic and Metabolic Centre in November 2014, the ENT, Head and Neck Laser Surgery Centre in February 2013, the first Headache Clinic in Malaysia in September 2020, Eye Health in July 2022, and Oncology & Nuclear Medicine in March 2023. In 2022, THKD started offering radiotherapy services and Thomson Fertility Centre launched Fertility GeneCode and My GeneCode, a ground-breaking genetic screening technology. THKD achieved a milestone in February 2022 when the hospital performed its first organ donor surgery.

In 2022, TMCLS completed the construction and licensing of a major expansion programme at THKD which added significant capacity and capabilities to THKD. The hospital has progressively opened its new wards in phases to meet the growing healthcare demand. Thus far, total licenced beds have increased from 240 to 340 with a potential increase to 535 beds. Expanding THKD's tertiary services, the new expansion wing houses a brand-new Cancer & Theranostics Centre, Nuclear Medicine Centre, Eye Health Centre, and Preventive Health and Family Medical Centre. The Oncology & Nuclear Medicine department has expanded THKD's tertiary services and allowed it to provide a full suite of cancer treatment modalities: surgery, chemotherapy, and radiotherapy, which in turn will spearhead the capability of THKD to provide care for complex cancer conditions.

Supporting THKD's range of growing specialities, the hospital on-boarded eight new consultants covering various areas such as Oncology, Pathology, ENT Surgery, Paediatric Neurology, Infectious Disease, Endocrinology, Psychiatry, Obstetrics and Gynaecology, from July 2021 to June 2022.

THKD was the first in Malaysia to offer ENT and head and neck CO2 laser treatment. It is one of four private hospitals in Malaysia to offer specialised interventional neuro-radiology services. It is also the first in Asia Pacific to obtain the Mediso AnyScan Hybrid Imaging machine, an all-in-one SPECT, CT and PET system for nuclear medicine and the first hospital in Malaysia to receive the Silver award under the Healthcare category by GreenRE for its green building initiatives.

The principal activities of TMCLS are mainly categorised into: (1) hospital operations and ancillary services; and (2) specialised and other services.

Hospital operations and ancillary services

The hospital operations and ancillary services comprise the provision of integrated medical healthcare facilities and services for primary, secondary and tertiary care, diagnostic imaging services, pharmacy, laboratory and services provided by outpatient clinics at the hospital.

(i) *Orthopaedic and Trauma Centre*

The Orthopaedic and Trauma Centre treats patients with bone and joint diseases, sports injuries and patients who require joint replacements, spine surgery, hand and microsurgery as well as foot and ankle surgery. It also has a niche focus on paediatric orthopaedics.

(ii) *Diabetic and Metabolic Centre*

The Diabetic and Metabolic Centre treats diabetic patients and treatment includes tailoring a programme according to the needs of the patient to improve his life.

(iii) *ENT, Head and Neck Laser Centre*

The ENT, Head and Neck Laser Centre offers comprehensive surgical and medical treatments for all ear nose, throat, head and neck diseases.

(iv) *Dialysis centre*

The dialysis centre provides dialysis services for patients with renal failure.

As a tertiary hospital, THKD also provides medical services (from prevention to diagnostic to treatment and post-procedure care) in the following medical and surgical specialities and sub-specialities:

(i) *Anaethesiology*

Provides anaesthesia services in areas such as cardiac anaesthesia, paediatric anaesthesia, neuro anaesthesia and obstetric anaesthesia.

(ii) *Breast and Endocrinology*

Provides medical services for conditions such as breast cancer and cysts, lumps and nipple discharge.

(iii) *Breast and Oncoplastic Surgery*

Provides medical services for breast reconstruction.

(iv) *Cardiology*

Provides medical services for heart problems such as blocked coronary arteries, congenital heart disease and arrhythmias.

(v) *Dermatology*

Provides medical services in the areas of cosmetic dermatology, venereology.

(vi) *Dietetic Services*

A dedicated dietetic unit that looks specifically at nutrition both outpatients and inpatients.

(vii) *Endocrinology*

Provides medical services for common endocrine disease such as thyroid disorders hyper and hypothyroid, adrenal disorder and endocrine hypertension.

(viii) *Eye Health Services*

Offers a range of ophthalmology services to treat eye conditions like cataracts, glaucoma, and diabetic retinopathy as well as optometry services that focus on vision care like sight testing, lens fitting and management of vision changes.

(ix) *Gastroenterology and Hepatology*

Provides medical services for a full spectrum of gastrointestinal tract conditions, including oesophagus, stomach and bowel disorders and liver, biliary system and pancreatic disorder.

(x) *General Surgery*

Provides medical services for conditions relating to the lymphatic system, oesophageal and stomach, abdomen, pancreas, endocrine and others.

(xi) *Hand and Microsurgery*

Provides medical services for the surgery and reconstruction of the hand.

(xii) *Hepatobiliary Surgery*

Provides medical services for surgery specific to benign and malignant diseases of the liver, pancreas and biliary tree.

(xiii) *Nephrology*

Provides medical services for patients with kidney disease such as diabetic kidney disease, glomerular/vascular disorders and tubular/interstitial disorders.

(xiv) *Neurology and Neurosurgery*

Provides medical services for conditions relating to the brain such as stroke, epilepsy and brain tumours.

(xv) *O&G*

Provides medical services for women with all forms of feminine concerns, from intimate problems in the reproductive system to serious anatomical or systemic disorders such as general gynaecology, endometriosis, menopause, hormonal imbalance and polyps and cysts.

(xvi) *Oncology & Nuclear Medicine*

Provides medical services for cancer. Two main treatments provided are systemic therapy and radiation therapy. Treatment depends on the type of cancer and how advanced it is.

(xvii) *Ophthalmology*

Provides medical services for the treatment of disorders and diseases of the eye.

(xviii) *Paediatrics and Paediatric surgery*

Provides medical services to treat children from their infancy to teenage years and surgery that involves foetuses, infants, children, adolescents, and young adults.

(xix) *Plastic and Reconstructive Surgery*

Provides medical services for body contouring, facial aesthetics, and reconstructive surgery.

(xx) *Psychiatry*

Provides medical services for psychiatric disorders such as psychological disorder (anxiety disorder, depressive disorder, bipolar and phobias), obsessive compulsive disorder, post-traumatic stress disorder, personality disorders, schizophrenia, paranoia and depression.

(xxi) *Respiratory Medicine*

Fully equipped with a wide range of rehabilitative equipment, our Physiotherapy & Rehabilitation Centre helps people with physical impairments and functional disabilities recover and regain top form again.

(xxii) *Rehabilitative*

Provides medical services for respiratory conditions such as chronic cough, haemoptysis, tuberculosis, bronchiectasis, sarcoidosis, lung fibrosis and interstitial lung disease.

(xxiii) *Urology*

Provides medical services for urology conditions such as benign prostate hyperplasia, bladder cancer, bladder stone and prostate cancer.

(xxiv) *Vascular and Endovascular Surgery*

Provides medical services for problematic vessels such as varicose veins, spider's veins, thoracic aneurysm and dissections, and abdominal aortic aneurysm.

Specialised and other services

The specialised and other service segments include services provided by the fertility clinics.

TMC Fertility Centre was established in January 1994 as a clinic at Damansara Utama, Selangor. Besides the main facility located within the premise of THKD, TMC Fertility Centre has branches located in Johor Bahru, Penang, Puchong, Kepong and Ipoh. These branches are furnished with world-class fertility equipment using state-of-art technologies which enable and benefit more couples across Malaysia and in the region, seeking fertility treatments.

TMC Fertility Centre offers a complete range of technologically advanced fertility treatments including but not limited to Pre-Implantation Genetic Screening/Diagnosis services and is led by an experienced and dedicated team of fertility specialists, embryologists and geneticists.

Thomson Chinese Medicine ("**Thomson TCM**") was established in Puchong to become one of Malaysia's trusted integrative health and wellness centres that offers patients an alternative to their inclusive healing experience.

TMC Care Pharmacy is TMCLS's pharmacy which is strategically located in THKD at Kota Damansara to provide patients and customers with better value and convenience in obtaining medications, supplements and healthcare products.

(c) Business Overview of VBHC

Strategically located in Iskandar Malaysia and in Johor Bahru's City Centre, the VBHC is conceived as an integrated health and wellness development made up of medical, wellness and educational facilities. The freehold VBHC sits on a waterfront site overlooking the Straits of Johor and is conveniently located within 1 kilometre from the Causeway connecting Johor Bahru and Singapore.

VBHC is envisioned as a vibrant hub comprising medical facilities such as a general hospital, a specialist hospital, a community hospital and long-term care facilities. There will also be health sciences education and training facilities, and a purpose-built urban wellness hotel and resort, incorporating retail and other related services.

The Issuer may, as part of its ongoing review of its business, from time to time assess market interests as well as evaluate all options available to it, including any potential divestment and/or partnership opportunities.

4. STRATEGY

(a) Continued growth in the Group's Singapore and Malaysia operations and to develop a Pan-Asian integrated private healthcare platform

The Group's long-term vision is to continue growing its Singapore and Malaysia operations and use it as a springboard to develop a Pan-Asian integrated private healthcare platform.

In Singapore, the Group plans to grow its operations through the addition of more specialist clinics and medical facilities. Since 2010, Thomson Medical has doubled the number of specialist clinics and centres from 16 to 37 to support its flagship hospital operations. Thomson Medical intends to continue to add more specialist clinics and centres to its network in Singapore and broaden its service offerings. This will enable Thomson Medical to strengthen its position as the leading private provider of women and children's healthcare services in Singapore and grow beyond its current core services to become a provider of multi-specialty health services. Areas of expansion of services include additional women and children's specialist clinics, fertility, TCM and wellness and lifestyle-related services. As part of this strategy, the Group has developed its first integrated service platform or nodal centre at the Group's flagship clinic in Paragon Medical Centre which houses the Group's flagship centres for Thomson Specialists (Paragon), Thomson Fertility Centre, Thomson Imaging Centre and Thomson TCM. From July 2019, the Group has commenced operations at this multi-specialty medical centre in phases. The new centre houses an integrated facility offering fertility, TCM, preventive medicine and wellness services, and diagnostic imaging services.

Moving forward, the Group plans to establish a new nodal centre in Bidadari New Town to provide access to women's health, paediatrics, traditional Chinese medicine, general practitioner and dentistry services to families. It also recently incorporated Hatch Health Pte. Ltd., a joint venture company with telehealth provider WhiteCoat to develop a digital healthcare platform that will offer seamless and personalised online to offline healthcare services to meet the health and wellness needs of women and children. Apart from these expansion and growth initiatives, the Group will also continue to support the government in operating vaccination centres and transitional care facilities.

In Malaysia, the Group has operationalised its plan to grow its hospital network through the expansion of THKD and construction of the Thomson Iskandar Medical Hub, as well as to set up more clinics and centres. On 30 March 2022, THKD received operating licence for its new expansion buildings and the new oncology unit from the Ministry of Health. The new wing will be opened progressively in the near term. The expanded THKD will have capacity for 10 operating theatres, 154 outpatient clinics, nine delivery suites, two catheterisation labs and a full-fledged cancer centre with chemotherapy, radiosurgery and nuclear medicine services.

A project in the Group's pipeline is the proposed Thomson Iskandar Medical Hub project (comprising a 500-bed tertiary hospital, 400-suite medical tower and complementary retail space to facilitate and provide ancillary services to the operation of the hospital and medical suites) in Johor Bahru, Malaysia. With the resumption of the Rapid Transit System (RTS) Link project between Singapore and Malaysia (expected to start operations by the end of 2026), the Group aims to complete construction of the Thomson Iskandar Medical Hub at Vantage Bay within 24 months after the RTS project at Bukit Chagar is fully operational.

These expansion plans allow the Group to build on its strong foundation of healthcare businesses in Singapore and Malaysia and expand geographically into key Asian markets to capture rising demands for high quality services, helping the Group to achieve its vision of becoming the preferred Pan-Asian health system of choice to provide the highest quality of health and medical services in the region.

In line with its objective to grow its Pan-Asian footprint, the Group has been actively seeking investment opportunities which may involve acquisitions or collaborations relating to healthcare businesses in the Southeast Asia region (in particular, in Indonesia and Vietnam).

(b) Strategic investments and acquisitions in South East Asia

The Group believes there are attractive opportunities to expand internationally through acquisitions and joint ventures, including forging strategic partnerships with world-renowned institutions and groups to bring experts and world-class expertise to the Group. The Group intends to develop its presence across Singapore, Malaysia as well as markets where the Group has identified strong growth potential and where it can leverage existing capabilities and its reputation to develop an integrated healthcare value chain replicating the efforts in Singapore to provide a continuum of healthcare services from pre-conception to healthcare in the silver years. The Group is confident that through its established operations in Singapore and Malaysia, it is able to leverage its expertise to continue building its footprint in the region.

(c) Leveraging on technology to deliver growth

Since inception, the Group's digital arm, Thomson X ("**TX**"), has been actively forging partnerships with forward looking and credible technology partners for Thomson Medical's healthcare ecosystem. As the tech enabler of the Group, TX catalyses advancements in telemedicine, digital healthcare products, and treatment methods to enhance and engage Thomson Medical's patient base and increase revenue opportunities for the Group. In December 2021, TX announced a joint venture, Hatch Health, with telehealth provider WhiteCoat to launch a mobile application that will offer seamless and personalised online-to-offline healthcare services to meet the health and wellness needs of women and children. Integrating WhiteCoat's cutting-edge technology and virtual healthcare capabilities with Thomson Medical Group's medical expertise and its network of hospitals and clinics, the one-stop app will be the first of its kind, focused on digitally enhancing the delivery of Thomson Medical's brand of obstetrics and gynaecology and paediatric healthcare services to its patients. This joint venture is also part of the Group's strategic transformation into a modern integrated health, medical and lifestyle platform, with Hatch Health delivering a holistic omni-channel healthcare experience to a wider patient base through telemedicine and other digital health technology offerings. Going forward, TX will continue to forge more strategic partnerships with like-minded digital partners with the aim of executing initiatives to broaden accessibility to the Group's doctors and services.

In tandem with the growing needs of the Group's patients, TMC has also continued to invest and acquire new medical equipment to support the hospital's expanded surgical capabilities. To enable surgeons to deliver endoscopic surgery with greater precision, the Group acquired the Endoeye Rigid Videoscope which is engineered to deliver superior high-definition quality resolution images with a mere 5 mm tip diameter. With the added image clarity, surgeons will be able to deliver fine-tuned surgeries, helping patients to minimise pain and downtime. In addition, the videoscope's fine tip enables minimal scarring for most surgical procedures performed at TMC. To enhance the efficiency of liposuction surgeries at TMC, the Group also acquired MicroAire – a power-assisted liposuction device designed for small-or large-volume fat extraction, body contouring and fat harvesting which will help surgeons deliver more precise outcomes.

In response to the COVID-19 pandemic, the Group has also expanded its telemedicine capability. To provide parents and their children convenient and on-demand access to paediatric care, TMC has onboarded paediatricians and paediatric services onto the WhiteCoat telemedicine platform. Thomson Paediatric Centre's paediatricians were the first to be listed on WhiteCoat's paediatric care telemedicine platform, offering on-demand online appointments so that patients urgently needing medical consultations can have access to immediate medical attention within the safety of their homes.

5. COMPETITIVE STRENGTHS

(a) Award winning trusted provider of O&G, paediatric and fertility services with strong heritage and brand equity

The Group has more than four decades of experience providing healthcare services for women and children. Since the opening of Thomson Medical Centre in 1979 and THKD in 2008, both hospitals have built up a strong heritage and legacies in the women and children sector by offering high quality, affordable healthcare solutions and superior service experiences to their patients. Many families have had generations of children delivered in Thomson Medical Centre.

In Singapore, Thomson Medical was the first private IVF clinic to deliver IVF triplets and quadruplets. It is also responsible for more than 20% of total annual deliveries in Singapore. In Malaysia, the Group has operated TMC Fertility Centres since 1994 and currently holds the record for the highest number of IVF babies produced by a single IVF practice as at the date of this Information Memorandum.

The Group has garnered a slew of awards and accreditations over the years. In Singapore, Thomson Medical Centre has received accreditation from SINGLAS since 2019 and from RTAC since 2012. It has also received the SingHealth Singapore Health Quality Service Award as well as the Ministry of Health Nurses' Merit Award yearly since 2020.

In Malaysia, THKD has received accreditation from the Malaysian Society for Quality in Health since 14 September 2013. Thomson Fertility Centre achieved RTAC certification in 2012 and obtained re-accreditation in 2015 and 2018. TMC Fertility Centre also obtained RTAC certification in 2015 and 2018. THKD has received awards like the Global Health & Travel Awards Smart Hospital of The Year in APAC 2022, Global Health & Travel Awards IVF Service Provider of The Year in APAC 2022, Global Health & Travel Awards ENT Clinic of The Year in APAC 2020.

The success of the Group's brands has allowed it to benefit from the growth of medical tourism in the region, as overseas patients increasingly recognise such brands. For example, TMC Fertility Centre was awarded the prestigious "International Fertility Clinic of the Year" by International Medical Travel Journal in 2016, 2017, 2018 and 2019, and also the "Malaysia Fertility Company of the Year" by Frost & Sullivan in 2016, 2017, 2019, 2020, 2021. Please refer to the section entitled "Awards and Certifications" from pages 127 to 136 of this Information Memorandum for more details on the accreditations received by the Group.

(b) Synergistic ecosystem of services addressing healthcare needs throughout the life cycles of women and children

The Group's full suite of specialist services in obstetrics and gynaecology, amongst others, allows it to provide personalised treatment services to mothers and children in each relevant stage of their healthcare needs – from fertility and conception, to pregnancy and childbirth, and post-delivery care and wellness. Even as it continues to grow and expand, the Group strives to deliver consistent and quality care and services to patients and become a trusted healthcare partner throughout its patients' life journeys. It adopts the latest innovations in patient care and service delivery to optimise patient experience and expand its range of healthcare services.

In Singapore, the Group operates the 187-bed Thomson Medical Centre and 37 specialist clinics and centres. In Malaysia, the Group operates the 308-bed THKD hospital and six TMC Fertility Centres. These facilities provide a range of specialist medical services with a focus on women and children, laboratory services, radiology and imaging facilities, general healthcare and wellness, TCM and fertility treatment. The Group aims to provide lifelong healthcare to patients of all ages, and as a result, many patients have returned to the hospitals and clinics operated by the Group for their healthcare needs.

The Group believes that the fertility treatments provided by Thomson Medical and TMCLS represent one of the most comprehensive range of technologically advanced treatments, making the Group one of the leading service providers in the private IVF sector in the region. The Group delivered Singapore's first IVF triplets in September 1988 and Singapore's and South East Asia's first surviving IVF quadruplets in May 1989. Increased infertility, delayed childbearing and various lifestyle changes are some of the prevailing characteristics among the growing middle class in Asia that significantly contribute to the growing IVF industry. As an established provider of IVF services, the Group believes that it is well placed to play a vital role in meeting the IVF demands in the region. In addition, the Group also offers services such as childbirth education and Thomson-branded products, which complement its core specialties and lead to enhanced customer engagement and loyalty.

Leveraging its deep experience in women's and children's health, the Group launched Thomson Kids Specialised Learning in 2021, 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.

(c) Replicable "hub-and-spoke" and nodal centre models with strategic locations enhancing patient accessibility

The Group utilises a nationwide "hub-and-spoke" model in Singapore, which allows it to offer its services to customers within a wide geographical spread. In Singapore, the Group operates the Thomson Medical Centre in Thomson Road, and 37 clinics and centres spread out across the island, providing specialist women, paediatric and other services.

The Group's "hub-and-spoke" model facilitates deeper service penetration within regions, strengthening its brands and driving patient acquisitions. More importantly, it provides convenience to patients. The "hub" is centrally located in Singapore while the "spokes" connect it to the clinics and centres located in the main satellite population centres across the island and act as conduits to drive patients to the "hub" when inpatient services are required. Locating the clinics and medical centres in main satellite population centres makes it more convenient for patients to consult the specialists and allows them to avail themselves to the facilities and treatments in these clinics and centres. More clinics are also being set up in new satellite towns with younger families which provide a growing pool of potential patients.

For instance, in 2020, the Group expanded its paediatric operations in Punggol where many young families reside to optimise patient catchment in areas with growing and younger population. To meet the growing needs of younger couples in the North-East region of Singapore, the Thomson Women's group of clinics ("**TWC**") opened an obstetrics and gynaecology clinic at Punggol@Waterway Point. In addition, Thomson Paediatric Centre ("**TPC**") at Punggol@Waterway Point also relocated to an expanded clinic next to TWC Punggol. Together with the existing TCM clinic there, the Group established an anchor presence at Punggol@Waterway Point, providing families with a one-stop solution for obstetrics and gynaecology, paediatric and TCM services.

(d) Ability to attract and retain highly-trained and experienced doctors and medical staff given established household name

The Group's established brand equity in combination with its management culture has enabled it to grow, attract and retain a sizeable suite of talented specialists, doctors and nurses. As an established provider of O&G, paediatric and fertility services and as one of Singapore's pioneering women specialty hospitals, the Group provides a stepping stone for doctors to build their careers by leveraging on its strong brand equity.

The Group believes that it has strong channels to attract experienced specialists. The Group has advanced medical facilities and capabilities spanning key specialties which is able to attract specialists. Its established network and replicable clinic model also present an attractive option for doctors. Further, it is also able to tap on a close-knit network of doctors in Singapore and Malaysia given good existing relationships. Its strong brand positioning and reputation for clinical excellence as well as the concentration of highly skilled professionals within its group also creates a high-performance culture and environment which further encourages other quality personnel to join it.

By offering a conducive working environment, ongoing training initiatives as well as personal career development opportunities, the Group has an employee-friendly ecosystem which fosters employee satisfaction, boosts morale and reduces attrition. The Group is committed to the personal growth of its employees and has programmes in place to ensure consistent development of key skills and knowledge. For instance, its Preceptor Training Program is designed to equip experienced nurses with the skills and knowledge to monitor newly recruited nurses. Through extensive education and training programmes, the Group develops high competency standards in its medical practitioners, nurses and other healthcare professionals via development of key skills and knowledge. In addition, the Group has a positive management culture with regular employee engagement activities to facilitate team-bonding as well as Employee Wellness Initiatives to cultivate employee health and wellness. It also established the Employees and Partners' Reward and Recognition Programme to recognise and reward exemplary staff performance. In recognition of its initiatives for employees, the Group was awarded Singapore's Best Employers Award 2022 (coming in at 50th place among the 200 highest-scoring employers and 2nd in the Healthcare & Social category) in the 2022 Singapore's Best Employers Survey by The Straits Times and Statista.

(e) Experienced industry veterans with decades of professional and management expertise

The Group has an experienced board of directors and senior management with a strong track record of operational performance, corporate governance and management expertise. The senior management team of the Issuer, led by the directors, has extensive experience in the healthcare space in Singapore and Malaysia. The members of the Issuer's board of directors possess extensive industry experience and are instrumental to continuing the successful operations and growth of the Group in the region.

The leadership teams in both Singapore and Malaysia comprise strong and highly experienced industry professionals and are led by Dr Heng Jun Li Melvin, the current Executive Director and Group Chief Executive Officer. Please refer to the section entitled "Directors" on page 138 of this Information Memorandum for further information on Dr Heng Jun Li Melvin.

The senior management team in Singapore and Malaysia comprises Mr Lim Wee Kiat, Dr Heng Jun Li Melvin, Mr Wilson Sam, Mr Tan Zing Yuen, Dr Daniel Lee Hsien Chieh, Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob, Mr Wong Yu Chee and Ms Kwan Yee Man. Please refer to the section entitled "Senior Management" on pages 141 to 143 of this Information Memorandum for further information on the senior management team.

6. OPERATIONS DURING COVID-19

During the COVID-19 pandemic, the Group provided continuous support to the health authorities and for the national COVID-19 vaccination programme. As COVID-19 vaccines became available to the general public in Singapore, the Group also worked with the Ministry of Health to operate three mRNA vaccination centres at the Senja-Cashew, Bishan and Potong Pasir community clubs respectively. Supporting innovations to better deliver vaccinations to patients, the Group also supported Agency for Science, Technology and Research (A*STAR) in the development, trials, and deployment of the Automated Vaccine Inoculation Dispenser (AVID) system at its vaccination centres at Senja-Cashew and Bishan. From end-May 2022, MOH initiated the move to step down the Vaccination Centres at community clubs, as most of Singapore's population had progressively been vaccinated. To consolidate healthcare resources and ensure that COVID-19 testing, and vaccination services remain accessible to the general public, MOH established Joint Testing & Vaccination Centres ("**JTVC**") in disused school compounds, designed with the ability to scale up operations if new COVID-19 variants emerge. Supporting this new phase of Singapore's COVID-19 operations, the Group was selected to support vaccination operations at two JTVCs, namely the former Shuqun Secondary School and the former Bishan Park Secondary School, and two paediatric vaccination centres at Punggol and Tampines community hubs. Our JTVC in Bishan Park Secondary School was the only centre offering the Nuvaxovid COVID-19 vaccine. With the transition to endemic phase of COVID-19, the JTVCs and the paediatric vaccination centres had ceased operation in November 2022 and April 2023 respectively.

As the pandemic evolved and new and more infectious variants which caused wider community infections emerged, the Group responded to MOH's call to set up and manage a COVID-19 Treatment Facility ("**CTF**") at Sengkang Community Hospital in November 2021. A total of five wards comprising 164 beds were operationalised in phases to attend to COVID-19 patients who were stabilised but still require medical care in a hospital setting. With the Omicron wave slowing down in April 2022, the CTF wards have been converted to a Transitional Care Facility ("**TCF**") to take in long-staying patients from all public healthcare institutions, so that they can return to their business as usual ("**BAU**") activities. As of LPD, the Group operates six wards and 199 beds under the TCF.

In Malaysia, since the Delta variant of COVID-19 in July 2021, THKD has readily stepped forward to ease the burden of the Malaysian public healthcare system by decanting critical non COVID-19 patients from government hospitals. A total of 99 patients from five government hospitals were managed at THKD. Further playing its part in battling the COVID-19 pandemic, THKD commissioned its COVID-19 vaccination centre – Pusat Pemberian Vaksin ("**PPV**") in July 2021 at its new building. At the start of operations, PPV managed a patient load of about 100 COVID-19 vaccinations a day. From October 2021 to November 2021, the COVID-19 vaccination centre also delivered 1,000 vaccine doses a day to children and teenagers under Malaysia's National Immunisation Programme. When PPV ceased operations in May 2022, THKD successfully delivered a total of 116,193 COVID-19 vaccine doses to members of the public – a significant contribution to Malaysia's efforts to immunise its population against the virus. In addition to running the PPV, THKD also took the initiative to assist members of the public who had difficulty accessing the vaccination centre by bringing vaccination services to them. On 15 March 2022, THKD set up on-site vaccination services to vaccinate 28 children at Buku Jalanan Chow Kit, an NGO working to provide equal education opportunities to all children in the Chow Kit catchment area. For its efforts in serving the community throughout the pandemic and its steadfast commitment to public-private partnership, THKD was awarded the National COVID-19 Immunisation Programme Public-Private Partnership for "Outstanding Adolescents Vaccination Contribution by Private Hospital" by ProtectHealth, a not-for-profit company established by the Ministry of Health Malaysia. THKD also won the "COVID-19 Healthcare Service Provider of the Year in Asia Pacific" by GlobalHealth Asia Pacific in 2021. In addition, in November 2021, THKD was given a certificate of appreciation by the Ministry of Education Malaysia for its contribution to vaccinating children and adolescents.

7. INTELLECTUAL PROPERTY

The business of the Group is reliant on its branding and intellectual property rights. Accordingly, the Group protects its intellectual property by obtaining appropriate registrations where it makes economic and business sense to do so. The Group has 153 registered trademarks and intellectual property rights, consisting of among others its "Thomson", "Thomson Medical", and "Thomson Wellth" brands, across the jurisdictions that it operates in. The Group is not engaged in any material litigation or legal proceedings in respect of its intellectual property.

8. AWARDS AND CERTIFICATIONS

As a testament to its commitment to service and quality, the Group has received numerous awards and certifications over the years, some of which are set out below.

Awards achieved by Thomson Medical and its subsidiaries

Award	Awarding Organisation	Year Awarded	Description for Award
Specialty Hospital of the Year at the Healthcare Asia Awards 2023	Healthcare Asia	2023	Award recognising Thomson Medical Centre as the Specialty Hospital of the Year – Singapore at the Healthcare Asia Awards 2023, that provides high-quality maternity care and a variety of pre and postnatal services

Award	Awarding Organisation	Year Awarded	Description for Award
Singapore's Best Employers 2022	The Straits Times and Statista	2022	Award assessing the attractiveness of organisations in Singapore. Thomson Medical was ranked 50th among 200 employers and 2nd in the Healthcare and Social Category
Parents World Best of the Best 2022 – Best Private Hospital for Maternity Healthcare	Parents World Magazine	2022	Recognition as the best private hospital with the most comprehensive facilities and services in maternity care
Parents World Best of the Best 2022 – Best Confinement Food Home Delivery Service	Parents World Magazine	2022	Award recognising the best in class for confinement meals home delivery service
Singapore Health Quality Service Award	SingHealth	2022	Singapore Health Quality Service Award Winners – 8 Star, 36 Gold & 44 Silver (The Singapore Health Quality Service Award honours healthcare professionals who have delivered quality care and excellent service to patients.)
Parents World Best of the Best 2020 – Best Private Hospital for Maternity Healthcare	Parents World Magazine	2020	Recognition as the best private hospital with the most comprehensive facilities and services in maternity care
Parents World Best of the Best 2020 – Best Traditional Chinese and Muslim Confinement Food Service	Parents World Magazine	2020	Award recognising the best in class for Chinese and Muslim confinement meals
Singapore Health Quality Service Award	SingHealth	2020	Singapore Health Quality Service Award Winners – 50 Silver & 17 Gold
Paediatric Service Provider of The Year	Global Health & Travel	2020	Awarded for outstanding achievement in the provision of overall paediatric services

Award	Awarding Organisation	Year Awarded	Description for Award
Health Screening Provider of The Year	Global Health & Travel	2020	Awarded for outstanding achievement in the provision of lifestyle health and wellness screening services
Parents World Best of the Best 2019 – Best Private Hospital for Maternity Healthcare	Parents World Magazine	2019	Recognition as the best private hospital with the most comprehensive facilities and services in maternity care
Parents World Best of the Best 2019 – Most Nutritious Confinement Food Service	Parents World Magazine	2019	Award recognising the best in class for confinement meals
Singapore Health Quality Service Award	SingHealth	2019	Singapore Health Quality Service Award Winners – 49 Silver & 21 Gold
Paediatric Service Provider of The Year	Global Health & Travel	2019	Awarded for outstanding achievement in the provision of overall paediatric services
Health Screening Provider of The Year	Global Health & Travel	2019	Awarded for outstanding achievement in the provision of lifestyle health and wellness screening services
Singapore Health Quality Service Award	SingHealth	2018	Singapore Health Quality Service Award Winners – 52 Silver & 7 Gold
Best Integrated Healthcare Clinic of the Year	Global Health & Travel	2018	Recognition of the contribution of leading medical platers in the region, and celebrates their success
Paediatric Service Provider of The Year	Global Health & Travel	2018	Awarded for outstanding achievement in the provision of overall paediatric services
Women's Health and Wellness Service Provider of The Year	Global Health & Travel	2018	Awarded for outstanding achievement in the provision of women's health and wellness services

Award	Awarding Organisation	Year Awarded	Description for Award
Parents World Best of the Best 2018 – Best Private Hospital for Maternity Care	Parents World Magazine	2018	Recognition as the best private hospital with the most comprehensive facilities and services in maternity care
Parents World Best of the Best 2018 – Most Nutritious Confinement Food Delivery Service	Parents World Magazine	2018	Award recognising the best in class for confinement meals
Best Card- Based Loyalty Programme – Bronze Award	Marketing Interactive's Loyalty & Engagement Awards	2018	Recognised as one of Singapore's best and first card-based loyalty programme in the healthcare sector
Singapore Health Quality Service Award	SingHealth	2017	Singapore Health Quality Service Award Winners – 53 Silver & 4 Gold
Best Integrated Healthcare Clinic of the Year	Global Health & Travel	2017	Recognition of the contribution of leading medical players in the region, and celebrates their success
Singapore SME 1000 Company 2017	DP Information Network Pte Ltd	2017	Recognises financial performance of Singapore's SMEs
Singapore Health Quality Service Award	SingHealth	2016	Singapore Health Quality Service Award Winners – 77 Silver & 8 Gold
Singapore Health Quality Service Award	SingHealth	2015	Singapore Health Quality Service Award Winners – 55 Silver & 8 Gold
Parents World Best of the Best 2015 – Pregnancy Products & Service (Best in Nutritious Confinement Meals)	Parents World Magazine	2015	Award recognising the best in class for confinement meals
Best Confinement Food Caterer	Mother and Baby Magazine	2015	Award for the best confinement food caterer

Award	Awarding Organisation	Year Awarded	Description for Award
Singapore Health Quality Service Award	SingHealth	2014	Singapore Health Quality Service Award Winners – 55 Silver & 6 Gold
Best Confinement Food Caterer	Mother and Baby Magazine	2014	Award for the best confinement food caterer
Singapore Health Quality Service Award	SingHealth	2013	Singapore Health Quality Service Award Winners – 3 Gold
Programme Partner for the Training of Workers under the Pilot Confinement Nanny Training Programme	Singapore Workforce Development Agency	2012	Was offered a funding package from the Singapore Workforce Development Agency as a programme partner for the training and placement of workers into confinement nanny jobs by offering training and assessment leading to certification under the Confinement Nanny Training Programme
May Day CBF Model Partnership Award	National Trade Union Congress (NTUC)	2010	Recognises and honours exemplary companies for their outstanding efforts in caring for workers, ensuring fair workplace practices for workers and growing with them

Certifications achieved by Thomson Medical and its subsidiaries

Certification	Certification Body	Year Certified	Description for Certification
Singapore Laboratory Accreditation (ISO 15189 Standard)	Singapore Accreditation Council	2019 – 2023	Recognition of the technical competence and effective management processes of a professional service provider and its staff
Certificate for Quality Management, Environment Management and Occupational Health and Safety (ISO 9001:2015, ISO 14001:2015, ISO 45001: 2018)	ISO	2020 – 2023	Comprehensive robust system of documentation of manuals, policies, procedures and implementation of the internationally recognised quality, environmental and occupational health and safety standards thus managing risks and opportunities to ensure quality, safety, efficiency of products and services and boosting employee morale and productivity

Certification	Certification Body	Year Certified	Description for Certification
Certificate of Registration to Reproductive Technology Accreditation Committee Code of Practice for Assisted Reproductive Technology Units (International Edition, 2014)	RTAC	2018	Recognition of compliance with the requirements of the Fertility Society of Australia's Code of Practice for Assisted Reproductive Technology Units International Edition (2014) for the Provision of Fertility Services, Specialist Medical Consulting, Embryology Laboratory and IVF Clinic (*The certificate is valid until 29 June 2025.*)
Certificate of Registration to Reproductive Technology Accreditation Committee Code of Practice for Assisted Reproductive Technology Units (International Edition, 2014)	RTAC	2015	Recognition of compliance with the requirements of the Fertility Society of Australia's Code of Practice for Assisted Reproductive Technology Units International Edition (2014) for the Provision of Fertility Services, Specialist Medical Consulting, Embryology Laboratory and IVF Clinic (*The certificate is valid until 8 February 2018.*)
Certificate of Registration (Service Certification (RTAC))	RTAC	2012	Recognition of compliance with the requirements of the Fertility Society of Australia's Code of Practice for Assisted Reproductive Technology Units International Edition (2014) for the Provision of Fertility Services, Specialist Medical Consulting, Embryology Laboratory and IVF Clinic (*The certificate is valid until 8 February 2015.*)

Awards achieved by TMCLS and its subsidiaries

Award	Awarding Organisation	Year Awarded	Description for Award
2023 Most Preferred Graduate Employers to Work For	GCA Graduate Choice Award by Talent Bank	2022	Top 10 in Graduates' Choice of Employer to Work for in 2023 in Healthcare (Hospitals) category. Graduates' Choice Award is Asia Pacific's Most Authoritative Graduate Employer Branding Award. 100% voted by university students, the Graduates' Choice Award represents the ultimate recognition of Thomson Hospital Kota Damansara effort in improving the desirability of our organisation as a career destination for Malaysian graduates
HR Best Practices Award (Bronze)	Malaysia Institute of Human Resource Management (MIHRM)	2022	The Malaysia-International HR Awards is a national event organised by Malaysian Institute of Human Resource Management (MIHRM) since 1999 with the objective of raising standards and recognizing excellence in HRM. This award was presented in conjunction with National Seminar HR Best Practices of 22nd Malaysia International HR Awards 2022
Best Quality Initiative	International Medical Travel Journal	2019	Implementation of Continuous Quality Improvement (CQI) projects increased productivity, eliminated waste, improved quality and safety, and reduced patient waiting time
Highest Number of IVF Babies Produced by a Single IVF Practice	The Malaysia Book of Records	2018	Highest number of IVF babies produced by a single IVF practice (5,388 babies)
CSR Excellence Award	Sin Chew Business Excellence Awards	2018	Awarded for the CSR initiative Pink October ("**POP**"), whereby the primary aim of this project is to raise fund for survivors, creating awareness and educating the public about breast cancer
International Fertility Centre of The Year & Best Quality Initiative	International Medical Travel Journal	2018	Awarded for outstanding achievement in the provision of fertility services

Award	Awarding Organisation	Year Awarded	Description for Award
Best Marketing Initiative	International Medical Travel Journal	2018	Awarded for the CSR initiative POP, whereby the primary aim of this project is to raise fund for survivors, creating awareness and educating the public about breast cancer
Service Delivery Innovation Initiative of the Year	Healthcare Asia Awards	2018	Awarded for outstanding achievement in the provision of MedEx@Pharmacy initiative
Fertility Service Provider of The Year	Global Health & Travel	2018	Awarded for outstanding achievement in the provision of fertility services across six (6) centres in Malaysia
Women's Health and Wellness Service Provider of The Year	Global Health & Travel	2018	Awarded for outstanding achievement for the provision of services encompassing women's health and wellness
Women's Health and Wellness Service Provider of The Year	Global Health & Travel	2018	Awarded for outstanding customer service provided, delighting the customers at every stage and in every interaction as well gaining customers' satisfaction.
ENT Service Provider of The Year	Global Health & Travel	2018	Awarded for outstanding achievement in the provision of ENT, Head and Neck laser surgery.
Diabetes Service Provider of The Year	Global Health & Travel	2018	Awarded for outstanding achievement in the provision of services at the Diabetes, Obesity & Metabolic Centre
International Fertility Centre of The Year	International Medical Travel Journal	2017	Awarded for outstanding achievement in the provision of fertility services
Fertility Service Provider of The Year	Global Health & Travel	2017	Awarded for outstanding achievement in the provision of fertility services
Malaysia Fertility Service Provider of The Year	Frost & Sullivan	2017	Awarded for outstanding achievement in the provision of fertility services
International Fertility Centre of The Year	International Medical Travel Journal	2016	Awarded for outstanding achievement in the provision of fertility services

Award	Awarding Organisation	Year Awarded	Description for Award
Fertility Service Provider of The Year	Global Health & Travel	2016	Awarded for outstanding achievement in the provision of fertility services
Malaysia Fertility Service Provider of The Year	Frost & Sullivan	2016	Awarded for outstanding achievement in the provision of fertility services
Highest Number of IVF Babies Produced by a Single IVF Practice	The Malaysia Book of Records	2013	Highest number of IVF babies produced by a single IVF practice (3,210 babies)

<u>Certifications achieved by TMCLS and its subsidiaries</u>

Certification	Certification Body	Year Certified	Description for Certification
Certificate of Registration to Reproductive Technology Accreditation Committee Code of Practice for Assisted Reproductive Technology Units (International Edition, 2014)	RTAC	2021	Recognition of compliance with the requirements of the Fertility Society of Australia's Code of Practice for Assisted Reproductive Technology Units International Edition (2014) for the Provision of Fertility Services, Specialist Medical Consulting, Embryology Laboratory and IVF Clinic (*The certificate is valid until 7 September 2023.*)
Certificate of Registration to Reproductive Technology Accreditation Committee Code of Practice for Assisted Reproductive Technology Units (International Edition, 2014)	RTAC	2018	Recognition of compliance with the requirements of the Fertility Society of Australia's Code of Practice for Assisted Reproductive Technology Units International Edition (2014) for the Provision of Fertility Services, Specialist Medical Consulting, Embryology Laboratory and IVF Clinic (*The certificate is valid until 8 February 2020.*)

Certification	Certification Body	Year Certified	Description for Certification
Certificate of Registration to Reproductive Technology Accreditation Committee Code of Practice for Assisted Reproductive Technology Units (International Edition, 2014)	RTAC	2015	Recognition of compliance with the requirements of the Fertility Society of Australia's Code of Practice for Assisted Reproductive Technology Units International Edition (2014) for the Provision of Fertility Services, Specialist Medical Consulting, Embryology Laboratory and IVF Clinic (*The certificate is valid until 8 February 2018.*)

9. BOARD OF DIRECTORS, SENIOR MANAGEMENT AND LEGAL REPRESENTATIVES

DIRECTORS

The Group's Board of Directors is entrusted with the responsibility for the overall management of the Group. The Group's Directors' particulars are listed below:

Name	Position
Mr Ng Ser Miang	Chairman, Non-Executive and Independent Director
Mr Lim Wee Kiat	Executive Vice-Chairman
Dr Heng Jun Li Melvin	Executive Director and Group Chief Executive Officer
Mr Wilson Sam	Executive Director and Group Chief Financial Officer
Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob	Executive Director and Group Chief Executive Officer – TMC Life Sciences Berhad
Mr Ong Pang Liang	Non-Executive and Independent Director
Dr Lam Lee G	Non-Executive and Independent Director
Ms Christina Teo Tze Wei	Non-Executive and Independent Director
Ms June Leong Lai Ling	Non-Executive and Independent Director

Notes:

(1) Save for Mr Lim Wee Kiat who is the son of controlling shareholder Mr Lim Eng Hock, none of the Issuer's Directors is related by blood or marriage to one another or to substantial shareholder of the Issuer.

(2) Save for Dr Lam Lee G and Ms June Leong Lai Ling who are the Independent Directors of TMCLS, none of the Issuer's independent directors sit on the board of any of the Group's principal subsidiaries that are based in jurisdictions other than Singapore.

Information on the business and working experience of the Group's Directors is set out below:

Mr Ng Ser Miang

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

Mr Ng holds directorships in various companies and was also Singapore's non-resident Ambassador to Norway and Hungary. He is the Chairman of Dunman High School Advisory Committee, Chairman of the Singapore Olympic Foundation and Fundacion Valencia Club de Futbol De La Comunidad Valenciana, and the Vice President of the International Olympic Committee 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 has received multiple honours and awards in recognition of his contributions to public service, including SG50 Outstanding Chinese Business Pioneers Award, the National Trades Union Congress Distinguished Service (Star) Award, Meritorious Service Medal by the Singapore Government and the Commander's Cross – Order of Merit (Civil Division) from the Hungarian President.

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

Mr Lim Wee Kiat

Mr Lim was appointed to the Board on 15 March 2019 and was last re-elected on 22 October 2021. He was appointed as Chief Executive Officer of Thomson X, a subsidiary of the Company and was re-designated from Non-Executive to Executive Director of the Company on 1 January 2022. On 1 September 2022, Mr Lim was appointed as Executive Vice-Chairman of the Group. He is responsible for the overall growth strategies for the Group and also oversees Thomson X, the Group's digital arm, to spearhead digital transformation for the Group.

After graduating from the University of New South Wales Australia with a degree in 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 E-sports. Mr Lim holds directorships in various companies that he has co-founded or invested in.

Dr Heng Jun Li Melvin

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

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

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

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

Mr Wilson Sam

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 22 October 2021. Mr Sam is responsible for providing leadership to the Group's financial and management reporting, corporate finance, treasury, investor relations and corporate and regulatory compliance of the Group. Mr Sam holds directorship in various companies and is currently a Non-Executive and Non-Independent Director of Secura Group Limited.

Mr Sam has 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) degree with a major in financial analysis and a minor in accountancy from Nanyang Technological University. He is also a CFA charter holder, a CAIA charterholder and holds FRM certification.

Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob

Ms Wan Nadiah was appointed to the Board on 1 January 2022 and was last re-elected on 27 October 2022. She is also the Group Chief Executive Officer of TMC Life Sciences Berhad (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 Wan 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 Wan Nadiah holds a Master of Science in Public Health (Nutrition) degree from the London School of Hygiene and Tropical Medicine, UK and an AB cum Laude in Biochemical Sciences from Harvard College, USA. She is a member of the Forum of Young Global Leaders Class of 2020 and currently serves as President of the Harvard Club of Malaysia.

Mr Ong Pang Liang

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

Mr Ong has over 25 years of experience in banking and finance. His career in various international banks covered management responsibilities in capital markets, treasury operations and corporate banking. He held positions such as Head of Treasury 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 holds a Bachelor of Business Administration degree from the University of Singapore.

Dr Lam Lee G

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

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

Dr Lam holds a Master of 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, 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, an International Affiliate of the Hong Kong Institute of Certified Public Accountants, and a Distinguished Fellow of the Hong Kong Innovative Technology Development Association. Dr Lam received the Director of the Year Award in 2013 and 2019, respectively, from the Hong Kong Institute of Directors (he was then a director of Hong Kong Education City and Chairman of Hong Kong Cyberport) and the FinTech Achievement Award (Iconic Star) in 2022 from the Institute of Financial Technologists of Asia (IFTA). In 2019, Dr Lam was awarded by the Hong Kong Special Administrative Region (HKSAR) Government a Bronze Bauhinia Star (BBS) for serving the public, and was appointed a Justice of the Peace (JP) in 2022 by the HKSAR Government.

Ms Christina Teo Tze Wei

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

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

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

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

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

Ms June Leong Lai Ling

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

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

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

SENIOR MANAGEMENT

The day-to-day operations of the Group are entrusted to an experienced and qualified team of Executive Officers. The particulars of the Executive Officers are set out below:

Name	Position
Mr Lim Wee Kiat	Executive Vice-Chairman
Dr Heng Jun Li Melvin	Group Chief Executive Officer
Mr Wilson Sam	Group Chief Financial Officer
Mr Tan Zing Yuen	Chief Risk and Compliance Officer
Dr Daniel Lee Hsien Chieh	Chief Executive Officer (Thomson Medical Singapore)
Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob	Group Chief Executive Officer (TMC Life Sciences Berhad)
Mr Wong Yu Chee	Interim Group Chief Financial Officer and Group Chief Accounting Officer (TMC Life Sciences Berhad)
Ms Kwan Yee Man	Chief Executive Officer (TMC Women's Specialist Holdings Sdn. Bhd., IVF Technologies Sdn. Bhd., Thomson TCM Sdn. Bhd., TMC Biotech Sdn. Bhd. and TMC Care Sdn. Bhd.)

Note:

(1) None of the Issuer's Executive Officers is related to one another, the Issuer's Directors or to the Issuer's substantial shareholders.

Information on the business and working experience of the Issuer's Executive Officers is set out below:

Mr Lim Wee Kiat

Please refer to page 137 for information on Mr Lim Wee Kiat.

Dr Heng Jun Li Melvin

Please refer to page 138 for information on Dr Heng Jun Li Melvin.

Mr Wilson Sam

Please refer to page 138 for information on Mr Wilson Sam.

Mr Tan Zing Yuen

Mr Tan is the Chief Risk and Compliance Officer 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 Nippecraft Limited Group and Flairis Technology Corporation Limited Group. Mr Tan began his career in 1980 as an Audit Assistant with the then Price Waterhouse, now known as PricewaterhouseCoopers ("**PwC**").

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

Dr Daniel Lee Hsien Chieh

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

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

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

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

Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob

Please refer to pages 138 to 139 for information on Ms Wan Nadiah.

Mr Wong Yu Chee

Mr Wong has over 26 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 PwC. Mr Wong spent almost eight years in PwC and specialised in assurance assignments of large multinational company, public listed companies in various industries, initial public offers and corporate exercises. Mr Wong joined GlaxoSmithKline then as Finance Manager before he left Malaysia to join Ernst & Young Shanghai in 2005. Mr Wong spent three years in Ernst & Young Shanghai focusing on statutory audit assignment, initial public offer assurance assignment, corporate exercise and US audit assignment until he joined TMF Shanghai in 2008, leading the accounting and tax compliance services in TMF Shanghai for two years.

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

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

Ms Kwan Yee Man

Ms Kwan joined the team as the Chief Executive Officer of TMC Women's Specialist Holdings Sdn. Bhd., IVF Technologies Sdn. Bhd., Thomson TCM Sdn. Bhd., TMC Lifestyle Sdn. Bhd. and TMC Care Sdn. Bhd. in August 2019.

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

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

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

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

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The tables set forth selected consolidated financial information of the Group for FY2021, FY2022, 1H2022 and 1H2023. This selected financial information has been derived from, and should be read in conjunction with, the Audited Consolidated Financial Statements of Thomson Medical Group Limited and its subsidiaries for the Financial Year Ended 30 June 2021, Financial Year Ended 30 June 2022 and Unaudited Consolidated Financial Statements of Thomson Medical Group Limited and its subsidiaries for the Six-Month Financial Period Ended 31 December 2022, including the notes thereto, which appear in Appendices II to IV of this Information Memorandum.

1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Audited		**Unaudited**	
	FY2021 $'000	**FY2022 $'000**	**1H2022 $'000**	**1H2023 $'000**
Revenue	240,398	333,706	145,379	183,999
Other income	11,939	9,816	4,949	2,336
Inventories and consumables used	(49,502)	(55,321)	(26,646)	(29,696)
Staff costs	(74,880)	(107,920)	(49,383)	(62,581)
Depreciation and amortisation expenses	(17,954)	(17,930)	(8,559)	(10,249)
Other operating expenses	(61,189)	(70,544)	(34,847)	(38,581)
Profit from operating activities	48,812	91,807	30,893	45,228
Finance income	980	988	476	1,500
Finance costs	(23,610)	(23,497)	(11,473)	(13,763)
Net finance costs	(22,630)	(22,509)	(10,997)	(12,263)
Share of loss of a joint venture	–	–	–	(286)
Profit before taxation	26,182	69,298	19,896	32,679
Income tax expense	(9,272)	(10,713)	(5,945)	(8,401)
Profit for the year/period	16,910	58,585	13,951	24,278
Profit for the year attributable to:				
Owners of the Company	14,237	53,762	12,485	22,795
Non-controlling interests	2,673	4,823	1,466	1,483
	16,910	58,585	13,951	24,278

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited		Unaudited	
	FY2021	**FY2022**	**1H2022**	**1H2023**
Profit for the year/period	16,910	58,585	13,951	24,278
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(2,990)	(12,292)	160	(18,029)
Net change in fair value of cash flow hedges	–	–	–	222
Item that will not be reclassified to profit or loss				
Net change in fair value of financial assets at fair value through other comprehensive income	–	975	–	(178)
Other comprehensive income for the year/period, net of tax	(2,990)	(11,317)	160	(17,985)
Total comprehensive income for the year/period	13,920	47,268	14,111	6,293
Attributable to:				
Owners of the Company	11,944	45,315	12,615	9,036
Non-controlling interests	1,976	1,953	1,496	(2,743)
Total comprehensive income for the year/period	13,920	47,268	14,111	6,293

3. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited	Audited	Unaudited
	FY2021	FY2022	As at 31 Dec 2022
	$'000	$'000	$'000
ASSETS			
Non-current assets			
Property and equipment	435,192	444,027	431,214
Intangible assets	486,749	484,061	484,198
Investment property	102,115	99,629	96,069
Right-of-use assets	11,254	13,425	13,220
Investment in joint venture	–	–*	399
Deferred tax assets	–	919	–
Other investments	–	2,335	2,157
Derivative financial instruments	–	–	222
	1,035,310	1,044,396	1,027,479
Current assets			
Development property	95,498	93,225	89,920
Inventories	5,399	5,584	6,904
Trade and other receivables	26,893	60,147	63,554
Cash and short-term deposits	122,678	161,591	153,469
	250,468	320,547	313,847
Total assets	1,285,778	1,364,943	1,341,326
Current liabilities			
Contract liabilities	3,663	3,802	3,228
Trade and other payables	65,601	86,541	92,221
Income tax payable	7,945	15,170	14,827
Interest-bearing loans and borrowings	321	227,679	4,868
Lease liabilities	5,796	5,309	5,401
	83,326	338,501	120,545
Net current assets/(liabilities)	167,142	(17,954)	193,302

* Amount less than $1,000.

	Audited	Audited	Unaudited
	FY2021	FY2022	As at 31 Dec 2022
Non-current liabilities			
Deferred tax liabilities	10,618	7,353	7,654
Interest-bearing loans and borrowings	619,084	401,421	621,157
Lease liabilities	5,874	8,447	8,234
Provision	842	879	795
	636,418	418,100	637,840
Total liabilities	719,744	756,601	758,385
Net assets	566,034	608,342	582,941
Equity attributable to owners of the Company			
Share capital	2,364,497	2,364,503	2,364,503
Accumulated losses	98,264	148,546	140,934
Other reserves	(1,972,921)	(1,981,368)	(1,995,127)
	489,840	531,681	510,310
Non-controlling interests	76,194	76,661	72,631
Total equity	566,034	608,342	582,941
Total equity and liabilities	1,285,778	1,364,943	1,341,326

4. REVIEW OF RESULTS OF OPERATIONS

1H2023 compared with 1H2022

The Group's revenue increased by 26.5% to S$184.0 million for 1H2023 compared to 1H2022 of S$145.4 million. Revenue from the Hospital and Specialised Services segments grew by 14.7% and 41.0% respectively. The growth was mainly attributed to the increase in overall patient loads and higher average bill sizes. In Singapore the revenue growth was further augmented by the income received from project related services such as managing the vaccination centres and the Transitional Care Facilities ("**TCFs**"). While in Malaysia, revenue continued to improve due to higher patient loads and higher case intensity handled, which is partially attributed to the increased operating capacity at THKD.

The Group's EBITDA increased by 40.5% from $39.5 million to S$55.5 million during 1H2023 on the back of higher revenue growth.

Other income was lower at S$2.3 million during the 1H2023. 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 S$38.6 million during 1H2023. The increase was mainly due to higher professional fees paid to doctors and higher operating costs incurred on the new expansion wing at THKD. Staff costs during 1H2023 were higher by 26.7% compared to the same period in the previous year mainly due to the increase in headcounts in Malaysia, which resulted from the opening of the new expansion wing at THKD, and increased competition in the healthcare market. Depreciation and amortisation expenses increased by S$1.7 million as compared to 1H2022 mainly due to depreciation charged on the new expansion wing at THKD.

Net finance costs were higher by S$1.3 million mainly due to the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use during the six-month period ended 30 June 2022 ("**2H2022**") and higher interest rates during 1H2023 compared to the same period in the previous financial year. Income tax expense was higher mainly due to higher taxable profits. As a result of the above, the Group recorded a net profit after tax of S$24.3 million in 1H2023 compared to S$14.0 million for the same period in the previous financial year.

FY2022 compared with FY2021

Revenue for FY2022 grew by 38.8% or S$93.3 million from S$240.4 million in FY2021 to S$333.7 million. Revenue from Hospital and Specialised Services segments grew by 14.1% and 74.9% respectively. The growth was mainly due to higher overall patient loads and increase in average bill sizes as a result of business recovery from COVID-19 impact. In Singapore, the revenue growth was further augmented by the additional income received from managing the vaccination centres and the management of TCFs and previously, CTFs. While in Malaysia revenue continues to improve due to higher patient loads and case intensity handled, as well as the opening of new expansion wing at THKD.

The Group's EBITDA grew by 64.2% from $66.8 million to $109.7 million in FY2022 due to higher revenue recorded during the year.

Other income was lower at S$9.8 million during FY2022. The decrease was mainly due to lower government grant received under the Jobs Support Scheme and property tax rebates granted by the Singapore Government.

Other operating expenses were higher at S$70.5 million during FY2022. The increase was mainly due to the higher professional fees paid to doctors and commissioning costs incurred for the new expansion wings at THKD. Staff costs were higher by 44.1% compared to the previous year, which mainly arises from the hiring ramp-up in Malaysia due to the opening of the new expansion wing at THKD, the additional resources incurred in Singapore to manage the vaccination centres and the TCFs and previously, CTFs, and general salary adjustments in a bid to maintain salary competitiveness for our staff.

Net finance costs were lower by S$0.1 million due to lower interest rates during FY2022 compared to the previous year, which is partially offset by the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use in 2H2022.

Income tax expense was higher mainly due to higher taxable profits, which is partially offset by the recognition of a non-cash deferred tax credit arises from the investment tax allowance in Malaysia.

As a result of the above, the Group recorded a net profit after tax of $58.6 million in FY2022 compared to $16.9 million in the previous year.

5. REVIEW OF STATEMENTS OF FINANCIAL POSITION

1H2023 compared with FY2022

Total assets of the Group of $1.34 billion as at 31 December 2022 were lower compared to $1.36 billion as at 30 June 2022. The decrease was largely due to the loss in translation on the assets denominated in Ringgit Malaysia, as a result of the depreciation of Ringgit Malaysia against Singapore Dollars, as well as the lower cash and short-term deposits due to the purchase of property and equipment, dividends paid to the shareholders of the

Company and payment of interests on bank loans. The decrease is partially offset by the increase in trade and other receivables as a result of higher revenue generated and net cash flow generated during 1H2023.

Total liabilities of the Group of $758.4 million as at 31 December 2022 were higher compared to $756.6 million as at 30 June 2022. The increase was mainly due to the increase in trade and other payables as a result of higher operating expenses incurred, and the additional loans drawdown to fund the construction costs incurred at THKD.

Total equity of the Group was $582.9 million as at 31 December 2022 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.

FY2022 compared with FY2021

Total assets of the Group of S$1.36 billion as at 30 June 2022 were higher compared to S$1.29 billion as at 30 June 2021. The increase was mainly due to the increase in property and equipment of S$8.8 million, the increase in trade and other receivables as a result of higher revenue generated, and the higher net cash flow generated during the year.

Total liabilities of the Group of S$756.6 million as at 30 June 2022 were higher compared to S$719.7 million as at 30 June 2021. The increase was mainly due to the increase in trade and other payables as a result of higher operating expenses incurred, the higher income tax provision arises from the higher taxable profits, and the additional loans drawdown to fund the construction costs at THKD. The net current liabilities as at 30 June 2022 is mainly due to the reclassification of S$225 million 4.8% notes from non-current to current, which was due in July 2022 and had been fully redeemed on 18 July 2022.

Total equity of the Group was at S$608.3 million as at 30 June 2022 compared to S$566.0 million as at 30 June 2021. The increase was mainly due to net profit generated during the year, offset by the unrealised loss due to the translation reserve arising from the movement in foreign currency.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Securities should carefully consider all the information set forth in this Information Memorandum and any documents incorporated by reference herein, including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected and investors may lose all or part of their investment in the Securities.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Securities but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Securities for their particular circumstances.

Headings and sub-headings are for convenience only and investment considerations and risk factors that appear under a particular heading or sub-heading may also apply to one or more other headings or sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme.

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies (if any), the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside of the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section on "Forward-Looking Statements" on page 8 of this Information Memorandum.

RISKS RELATING TO THE SECURITIES GENERALLY

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. The Dealer(s) are not obliged to make a trading market for the Securities and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Dealer(s). Even if a market for the Securities does develop, there can be no assurance as to the liquidity or sustainability of any such market. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This may particularly be the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally may have a more limited secondary market and more price volatility than conventional debt securities. If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Securities, general economic conditions and the financial condition of the Issuer. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances investors may not be able to sell their Securities at their fair market value or at all.

Liquidity may have a severely adverse effect on the market value of the Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

Although an application will be made for the listing and quotation of any Securities to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

Fluctuation of the market value of the Securities issued under the Programme

Trading prices of the Securities may be influenced by numerous factors, including the operating results and/or financial condition of the Issuer, its subsidiaries and/or associated companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuer, its subsidiaries and/or its associated companies (if any). As a result, the market price of the Securities may be above or below the price at which the Securities were initially issued to the market.

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of any Series or Tranche of Securities.

Investments in the Securities are subject to interest rate risk

Investment in fixed rate Securities involves the risk that subsequent changes in interest rates may adversely affect the value of the fixed rate Securities and Securityholders may suffer unforeseen losses due to such fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in debt security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, debt security prices may rise. The Securityholders may enjoy capital gains but interest or distribution payments received may be reinvested at lower prevailing interest rates.

Currency risk associated with Securities denominated in foreign currencies

As the Securities can be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected

The Issuer will pay principal and interest or distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if the Securityholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less interest and/or distribution or principal than expected, or no interest and/or distribution or principal at all.

Investments in the Securities are subject to inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Securities linked to or referencing such "benchmarks"

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including LIBOR, EURIBOR or SIBOR, in particular with respect to certain Floating Rate Notes or Floating Rate Perpetual Securities where the reference rate may be LIBOR, EURIBOR, SIBOR or another such benchmark. The Pricing Supplement for the Securities will specify whether LIBOR, EURIBOR, SIBOR or another such benchmark is applicable.

Reference rates and indices which are deemed to be or used as "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union ("**EU**"). Among other things, it (a) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation, as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the "**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Securities linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

On 5 March 2021, the FCA announced, *inter alia*, the dates on which the various LIBOR rates in respect of various currencies will either cease to be provided or cease to be representative of their underlying market, with such end-date falling either on 31 December 2021 or by 30 June 2023.

Separately, the Euro risk free-rate working group for the Euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new Euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the Euro area financial system. On 11 May 2021, the Euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

In addition, as the Swap Offer Rate ("**SOR**") methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after June 2023 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it had established an industry-led steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average ("**SORA**"). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark's integrity and enhance market confidence in SORA. Similarly, the Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. The Association of Banks in Singapore, the Singapore Foreign Exchange Market Committee and the Steering Committee for SOR & SIBOR Transition to SORA ("**SC-STS**") (together, the "**Committees**") laid out transition roadmaps for shifting away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for SGD financial markets. Following industry consultations by the Committees, SOR is expected to be discontinued by end-June 2023 and the issuance of SOR-linked loans and securities that mature after end-2021 has ceased since end-April 2021, with financial institutions and their customers ceasing usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) by end-September 2021. Similarly, the Committees have announced plans to discontinue SIBOR, with 6-month SIBOR having been discontinued on 31 March 2022 and 1-month and 3-month SIBOR expected to be discontinued by end-2024. In order to mitigate further build up in the stock of legacy SIBOR contracts, the SC-STS has recommended that financial institutions and their customers cease usage of SIBOR in new contracts by end-September 2021. On 29 July 2021, the SC-STS published a report setting out updated timelines and key recommendations for the industry-wide transition of financial contracts away from the legacy use of SOR. The recommendations cover a wide spectrum of financial products across wholesale and retail markets, and aim to facilitate a smooth transition out of SOR contracts. On 31 March 2021, SC-STS also published a report which set out recommended timelines for the cessation of SOR and SIBOR-linked financial products, which was updated on 5 August 2021 and 18 July 2022.

It is not possible to predict with certainty whether, and to what extent, any benchmark will continue to be supported going forward. This may cause such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (a) discouraging market participants from continuing to administer or contribute to a benchmark, (b) triggering changes in the rules or methodologies used in the benchmark and/or (c) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmark Regulations, as applicable, or any of the national or international reforms and the possible application of the benchmark replacement provisions of the Securities in making any investment decision with respect to any Securities linked to or referencing a benchmark.

Investors should be aware that, when SOR or SIBOR is discontinued or otherwise unavailable, the rate of interest or rate of distribution on Floating Rate Notes or Floating Rate Perpetual Securities which reference SOR or SIBOR will be determined for the relevant period by the fallback provisions applicable to such Securities. Depending on the manner in which SOR or SIBOR is to be determined under the Conditions, this may in certain circumstances (a) be reliant upon the provision by reference banks of offered quotations for SOR or SIBOR which, depending on market circumstances, may not be available at the relevant time or (b) result in the effective application of a fixed rate for Floating Rate Notes or Floating Rate Perpetual Securities based on the rate which was last observed on the relevant Screen Page. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or Floating Rate Perpetual Securities which reference SOR or SIBOR.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes and Floating Rate Perpetual Securities

Investors should be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted. Please refer to the risk factor entitled "The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Securities linked to or referencing such "benchmarks"" for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to any Securities that reference risk free rates issued under the Programme. The Issuer may in the future also issue Securities referencing risk free rates that differ materially in terms of interest determination when compared with any previous Securities referencing the same risk free rate issued by it under the Programme. The development of risk free rates as interest reference rates for the bond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Securities issued under the Programme which references any such risk free rate from time to time.

Furthermore, the basis of deriving certain risk free rates, such as SORA, may mean that interest or distribution on the Securities which reference any such risk free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Interest Payment Date or, as the case may be, Distribution Payment Date. It may be difficult for investors in Securities which reference any such risk free rate to accurately estimate the amount of interest or distribution which will be payable on such Securities, and some investors may be unable or unwilling to trade such Securities without changes to their IT systems, both of which could adversely impact the liquidity of such Securities. Further, in contrast to SIBOR-linked securities, if Securities referencing SORA become due and payable as a result of an event of default under the Conditions, the rate of interest or distribution payable for the final Interest Period or, as the case may be, Distribution Period in respect of such Securities may only be determined on the date which the Securities become due and payable. Investors should consider these matters when making their investment decision with respect to any such Securities.

In addition, the manner of adoption or application of risk free rates in the bond markets may differ materially compared with the application and adoption of such risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Securities referencing such risk free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate securities issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Instruments, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Securities, the trading price of such Securities linked to such risk-free rates may be lower than those of securities referencing indices that are more widely used.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Securities may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Since risk free rates are relatively new market indices, Securities linked to any such risk free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Securities may be lower than those of later-issued indexed debt securities as a result. Further, if any risk free rate to which a series of Securities is linked does not prove to be widely used in securities like the Securities, the trading price of such Securities linked to a risk free rate may be lower than those of Securities linked to indices that are more widely used. Investors in such Securities may not be able to sell such Securities at all or may not be able to sell such Securities at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk free rate to which a series of Securities is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Securities referencing such risk free rate. If the manner in which such risk free rate is calculated is changed, that change may result in a reduction of the amount of interest or distribution payable on such Securities and the trading prices of such Securities.

The Securities are not secured

The Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured (except in the case of Notes where the Relevant Account Charge is specified as being applicable in the relevant Pricing Supplement) obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves. Accordingly, on a winding-up or dissolution of the Issuer at any time prior to maturity of any Securities, the Securityholders (other than the holders of the Notes which are secured by the Relevant Account Charge) will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the common depositary for Euroclear and/or Clearstream, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Securities.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the common depositary for Euroclear and/or Clearstream, CDP or such other clearing system, as the case may be, for distribution to their accountholders or, to the Principal Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System, as the case may be. A holder of a beneficial interest in the Global Securities or Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities and the Global Certificates will not have a direct right under the respective Global Securities and Global Certificates to take enforcement action against the Issuer in the event of a default under the relevant Securities or an enforcement event under the relevant Perpetual Securities but will have to rely upon their rights under the Trust Deed.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Securityholders

There can be no assurance that the Issuer will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission and (in the case of judicial management) the judicial manager's permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "**IRD Act**") was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, the Securities. However, it may apply to other related contracts that are not found to be directly connected with the Securities.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand thoroughly the nature of all those risks before making a decision to invest in the Securities; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact such investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Securities of their obligations thereunder including the performance by the Trustee, the Notes Security Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders and/or the Couponholders.

Securities may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case, a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should Definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including pursuant to Condition 11 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may (at its sole discretion) request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

Provisions in the Trust Deed and the terms and conditions of the Securities may be modified

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that each of the Trustee and the Notes Security Trustee may, without the consent of the Securityholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed or any of the other Relevant Transaction Documents which in the opinion of the Trustee or, as the case may be, the Notes Security Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant stock exchange, Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Relevant Transaction Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust

Deed or any of the other Relevant Transaction Documents which is in the opinion of the Trustee or, as the case may be, the Notes Security Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Securities are governed by Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities and any such change could materially impact the value of any Securities affected by it.

RISKS RELATING TO THE NOTES

Limited Amount of Funds in the Interest Service Reserve Accounts

If the Relevant Account Charge is specified as being applicable in the relevant Pricing Supplement for a Series of Notes, such Series of Notes may be secured by the Relevant Interest Service Reserve Account. Under the terms of each Relevant Account Charge, it is expected that an amount equivalent to at least six months of coupon payments will be deposited and maintained in the Relevant Interest Service Reserve Account for the purpose of each Series of Notes. As there will only be a limited amount of funds standing to the credit of the Relevant Interest Service Reserve Account, there is no assurance that the moneys standing to the credit of the Relevant Interest Service Reserve Account will be sufficient to discharge all outstanding moneys payable by the Issuer to the Noteholders at that time.

Enforcement of remedies

Enforcement of available remedies under the Trust Deed, the Relevant Security Documents, the Notes, the Coupons and the Talons, could result in delays in recovery of amounts owed to the Noteholders by the Issuer. There is no assurance that the Trustee or the Notes Security Trustee would recover all amounts secured upon such enforcement, and funds received may not be sufficient to make all required payments to any Noteholders.

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Taxation – Singapore taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes containing such a feature. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risks in light of other investments available at that time.

RISKS RELATING TO THE PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Issuer's or the Group's financial condition.

If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing

Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase" in this Information Memorandum.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-up proceedings (as defined in Condition 9(b) of the Perpetual Securities) is limited to circumstances where payment under the Perpetual Securities has become due and the Issuer fails to make such payment when due. The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions of the Perpetual Securities) any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a non-payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-up of the Issuer and/or proving in such Winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the Winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a Winding-up of the Issuer, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as "debt securities" by the IRAS for the purposes of the ITA, whether distribution payments made under the Relevant Tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded by the IRAS as interest payable on indebtedness for the purposes of the ITA or whether the tax exemptions or tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Taxation – Singapore taxation" of this Information Memorandum) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, the distribution payments made under the Relevant Tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) are not regarded by the IRAS as interest payable on indebtedness for the purposes of the ITA and/or holders thereof are not eligible for the tax exemptions or tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. No assurance, warranty or guarantee is given on the tax treatment to investors and holders of the Relevant Tranche of the Perpetual Securities in respect of the distributions payable to them. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

RISK RELATING TO THE GROUP'S BUSINESSES

The Group's business relies solely on the operations of its principal subsidiaries

The Group conducts its operations solely through its principal subsidiaries, Thomson Medical, TMCLS and VBHC. As a result, the Issuer's cash flows and ability to make payments may depend on the results of operations of the Group's principal subsidiaries and upon the receipt of dividends, distributions or advances from its principal subsidiaries. The ability of its principal subsidiaries to pay dividends or such other amounts to the Issuer may be subject to their profitability, to applicable laws and regulations and to restrictions contained in financing or other agreements. If the performance of the Group's principal subsidiaries were to decline, it may have a material and adverse effect on the Group's business, financial condition, results of operation and prospects. Additionally, there is no assurance that the Group's principal subsidiaries will generate sufficient earnings and cash flows to meet its obligations.

The Group's business and facilities are concentrated in Singapore and Malaysia, which makes it sensitive to regulatory, economic, environmental and competitive conditions and changes in these countries

The Group's operations are concentrated in Singapore and Malaysia. For the financial year ended 30 June 2022, the Group's operations in Singapore and Malaysia accounted for approximately 76.3% and 23.7% of its revenue, respectively. Such concentration in operations makes the Group particularly sensitive to regulatory, social, political, economic, environmental and competitive conditions and changes in these countries.

Healthcare policy and the role of the private sector in the Group's key markets are subject to regular review by governmental authorities and to changes as a result of political decisions. Any material change in the current government insurance payment systems or policies, regulatory, economic, environmental or competitive conditions in these countries may have a disproportionate and material adverse effect on the Group's business, financial condition, results of operations and prospects.

Challenges that affect the healthcare industry may also have an effect on the Group's operations

The Group is impacted by the challenges currently facing the healthcare industry. The Group believes that the key ongoing industry-wide challenges are providing high quality patient care in a competitive environment and managing costs.

In addition, the Group's business, financial condition, results of operations and prospects may be affected by other factors that affect the entire industry, including the Group, such as:

(a) technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for healthcare;

(b) general economic and business conditions at local, regional, national and international levels;

(c) demographic changes;

(d) an increase in the threat of terrorism or armed conflicts and the occurrence of natural and man-made disasters that affect travel security or the global economy could reduce the volume of medical travellers;

(e) improvements in the level of quality of healthcare services in neighbouring countries that may affect the stream of medical travellers coming to the Group's hospitals and clinics;

(f) changes in the supply distribution chain or other factors that affect supplies or increase the cost of supplies;

(g) stricter regulations governing protection of sensitive or confidential patient information from unauthorised disclosure;

(h) stricter regulations governing the purchase of medications and pharmaceutical drugs, which are highly regulated; and

(i) reputational and potential financial risk to the Group's hospital operations caused by the independent actions of doctors, including the prices they charge patients for their services.

In particular, the patient volumes and operating income at the Group's hospitals and clinics are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

(a) unemployment levels;

(b) the cultural and business environment of local communities and in the home countries of medical travellers;

(c) the number of uninsured and underinsured patients in local communities;

(d) seasonal cycles of illness; and

(e) recruitment, retention and attrition of physicians and other medical staff, including nurses and pharmacists.

In addition, a slowdown in the global economy might lead to a decrease in demand for private healthcare services as more patients opt for subsidised public healthcare services or treatments which are more price competitive.

Any failure by the Group to effectively manage these challenges may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The business of the Group is dependent on obtaining and renewing of requisite approvals, licences and/or permits

The healthcare industry is highly regulated in the jurisdictions that the Group operates in. The Group's business operations are dependent on obtaining and renewing relevant approvals, permits and licences, such as the hospital and medical clinic licences issued by the Ministry of Health in Singapore and the Ministry of Health in Malaysia, to conduct its day-to-day operations. In addition, only qualified medical practitioners who are licensed may practise medicine or dentistry (as the case may be). There is no assurance that the Group and its medical practitioners will be successful with their application for approvals, licences and permits, or be able to renew existing approvals, licences and permits when they lapse as the approval or renewal of the approvals, licences and permits may be at the discretion of the relevant authorities. There is also no assurance that the approved or renewed approvals, licences or permits will be granted in a timely manner or on terms acceptable to the Group or to its medical practitioners. If the Group's medical practitioners lose their approvals, licences or permits or are unable to renew their approvals, licences or permits rendering them unable or ineligible to practise, affected clinics may have to cease operations if the Group is unable to replace them with licensed medical practitioners on a timely basis. In addition, any failure by the Group's hospitals and/or clinics to obtain or renew the requisite approvals, licences or permits in a timely manner or at all, or any withdrawal of approvals, licences or permits, may result in the imposition of penalties on the Group or suspension of its operations, which could materially and adversely affect the business, results of operations, financial condition and prospects of the Group.

The approvals, licences and permits obtained by the Group are subject to conditions stipulated in such approvals, licences and permits and/or in the relevant laws, rules or regulations under which they have been issued, which conditions must be complied with for the duration of such approvals, licences and permits. Where there is a failure to comply fully with the stipulated conditions, the relevant authorities have the power to revoke the Group's approvals, licences or permits, and in such instances, the Group's business, results of operations, financial condition and prospects may be adversely affected.

The prerequisites to obtaining the relevant approvals, licences and permits in the healthcare services industry may evolve and change over time and new or more stringent policies may be introduced. There is no assurance that the Group will be able to adapt expeditiously to new laws, regulations or policies that may come into effect from time to time. If the Group fails to comply with new policies and regulations, or if such policy changes disrupt the Group's business operations or cause it to incur additional costs, the Group's business, results of operations, financial condition and prospects may be materially and adversely affected.

The Group is highly dependent on its doctors, nurses and other healthcare professionals

The performance and growth strategy of the Group depends substantially on the Group's ability to attract and retain experienced doctors, nurses and other healthcare professionals. The Group competes for these personnel with other healthcare providers, including public healthcare institutions. The supply of both new and experienced doctors and nurses are subject to healthcare manpower policies of the relevant authorities.

The demand for doctors is highly competitive. The supply of specialist doctors is limited by the training period, which can be up to 15 years and even longer for certain medical specialties. The Group believes that the key factors that doctors consider before deciding where they will work include the reputation of the healthcare institution, the quality of the facilities, the range of specialties offered by the healthcare institution, the ability of the healthcare institution to attract adequate patient load, research and teaching opportunities, compensation (subject to local rules and regulations) and community relations.

The majority of the Group's doctors in Singapore and Malaysia are either medical practitioners under contracts for service with the Group or independent medical practitioners who have leased clinic space at the Group's hospitals and who are not under any obligation to continue to maintain their clinics at the Group's hospitals and/or to treat their patients at the Group's facilities. If they choose to treat their patients at other hospitals or if they choose to set up their clinics at other hospitals, the Group's business will be adversely affected.

The Group's performance also depends on its ability to identify, attract and retain other healthcare professionals, such as nurses, physiotherapists, radiographers and pharmacists, to support the services provided at the Group's hospitals and clinics. In March 2021, the Ministry of Health announced pay increases for nurse and healthcare workers in the public healthcare sector. Such initiatives, along with the tight supply of healthcare professionals may cause salaries and wages in the healthcare sector to rise which would lead to an increase in costs to recruit and retain these healthcare professionals.

In addition, doctors and nurses qualified in one country may have to go through a lengthy qualification process in another country or they may not be recognised in another country and may not be able to easily work in another country due to immigration and/or foreign worker policies.

If the Group is unable to attract or retain doctors or other medical personnel as required, it may not be able to maintain the quality of its services and could be forced to admit fewer patients, which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group engages locum doctors for its 24-hour clinics on a regular basis as well as in its other clinics when the need arises, and also engages agency nurses for short periods of time to cover staffing requirements. There is no assurance that the Group will continue to be able to engage such locum doctors and/or part-time healthcare professionals as and when required on terms acceptable to the Group.

The Group's newly developed facilities may experience delays in reaching full operational capacity and may not successfully integrate with its existing hospitals and healthcare businesses or achieve the synergies and other benefits the Group expects from such expansion

New hospital projects are characterised by long gestation periods and substantial capital expenditures. The Group may not achieve the operating levels that it expects from facilities that are under construction and development e.g. the Thomson Iskandar Medical Hub project and it may not be able to achieve its targeted returns on investments on, or benefits from, these projects. The Group's newly developed facilities may not successfully integrate with its existing hospitals and healthcare businesses or achieve the synergies and other benefits that the Group expects from such expansion.

Developing and operating new facilities could also be subject to certain additional risks, including:

(a) difficulties pertaining to the setting up of new hospital operations, including risks related to planning, construction, securing the required approvals, permits and licences, human resources and patient admissions;

(b) difficulties in the integration of the assets and operations of new hospitals and healthcare businesses with the Group's existing hospitals and healthcare businesses;

(c) the diversion of management's attention away from the Group's existing hospitals and healthcare businesses and an interruption of, or a loss of momentum in, the activities of such hospitals and healthcare businesses;

(d) the diversion of doctors and patients from the Group's existing hospitals and healthcare businesses and a loss of revenue at such hospitals and healthcare businesses;

(e) the failure to realise expected profitability or growth;

(f) the failure to realise expected synergies and cost savings;

(g) difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;

(h) difficulties in recruiting and retaining doctors, nurses and other healthcare professionals at existing and new hospitals; and

(i) unforeseen legal, regulatory, contractual, labour or other issues.

If the Group is unable to manage the growth in its business or is unable to successfully commence operations of, or integrate, newly developed facilities, the Group's reputation and ability to compete effectively could be impaired, which would have a material and adverse effect on its business, financial condition, results of operations and prospects.

The Group's expansion plan is subject to inherent operational and regulatory risks

The Group's expansion plan, which include projects such as its Thomson Iskandar Medical Hub project in Johor Bahru (which, when completed, is expected to comprise a 500-bed tertiary hospital, 400-suite medical tower and complementary retail space to facilitate and provide ancillary services to the operation of the hospital and medical suites) and the development of VBHC into the proposed integrated medical, education and wellness hub are subject to various factors that may involve delays or problems, including the failure to receive or renew regulatory approvals, delays in construction, constraints on human and capital resources, the unavailability of equipment or supplies, the failure to obtain the requisite financing or other reasons, events or circumstances which the Group may not foresee. These projects may incur significant cost overruns and may not be completed on time or at all which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group. In addition, in relation to VBHC, as part of its ongoing review of its business, the Issuer may from time to time assess market interests as well as evaluate all options available to it and there is no certainty that this project may materialise.

Future acquisitions, joint ventures or other arrangements may expose the Group to increased risks

The Group expects that it may from time to time, as a matter of business strategy, enter into healthcare development projects or grow its portfolio through the formation of joint ventures, strategic alliances, partnerships or other investment structures in the Singapore market or elsewhere.

Any future acquisitions, both domestic or international, along with potential joint ventures and other investments, may expose the Group to additional business and operating risks and uncertainties, including, among other things, the possibility of diversion of the Group management's attention required to integrate the acquired business, the inability of the Group to exert control over strategic decisions made by these companies, the failure to retain key acquired personnel and clients, leverage synergies or rationalise operations, or develop the skills required for new businesses and markets, or unknown and known liabilities including any ongoing litigation, claims or disputes concerning such acquisition, joint venture, the Group's shareholders, share capital or its legal and regulatory compliance obligations or practices, some or all of which could have an adverse effect on the Group's business.

The Group may also face the risk that its joint venture partners are unable or unwilling to fulfil their obligations under the relevant joint venture agreements, including the possibility of the joint venture partners failing to perform because they do not possess adequate experience or the skill sets expected of them. The Group's joint venture partners may also experience financial or other difficulties, which may affect their ability to carry out their contractual obligations, thus resulting in additional costs to the Group.

The value of the Group's investments may be adversely affected if the anticipated benefits resulting from such investments do not materialise, and this could result in impairment of such investments. Any impairment of investments could have a material adverse effect on the Group's financial position, performance and results of operations.

There is no assurance that such acquisitions, joint ventures, strategic alliances and partnerships will be successful. If the Group is unable to successfully implement the Group's growth strategy or address the risks associated with the Group's acquisitions, joint ventures, strategic alliances and partnerships, or if the Group encounters unforeseen difficulties, complications or delays frequently encountered in connection with the integration of acquired businesses and the expansion of operations, or if the Group fails to achieve acquisition synergies, the Group's business, financial performance, financial condition and operating cash flow may be materially and adversely affected.

Local regulations may also limit the Group's ability to successfully complete acquisitions outside of Singapore. The Group cannot provide assurance that future regulations will not limit its ability to expand its operations outside of Singapore or require it to divest existing interests.

The Group's revenue is dependent on the provision of inpatient treatments, ancillary services and outpatient primary care to individual patients and corporate clients who opt for private healthcare services, all of which could decline due to a variety of factors

Growth in inpatient income and increasing or maintaining occupancy rates at the Group's hospitals is highly dependent on brand recognition, wider acceptance in the communities in which the Group operates, its ability to attract and retain well-known and respected doctors, its ability to offer desired, quality and efficient services in the communities in which it operates, and its ability to develop complex treatment practices and compete effectively with other hospitals and clinics. Growth in revenue from inpatient treatments may also be impaired by a decrease in medical travellers. Medical travellers tend to receive more complex treatments and procedures that are of higher revenue intensity, which results in the average revenue per medical traveller being comparatively higher than the average revenue per inpatient. As a result, a decrease in medical travellers may cause a larger decrease in the Group's revenue from inpatient treatments than a similar decrease in local patients. In addition to inpatient treatments, the Group's revenue is dependent on the provision of outpatient specialist services and ancillary services, such as diagnostic laboratory services, as well as the provision of outpatient primary care, including executive health screening. The Group's inability to increase revenue from inpatient treatments and complex medical treatments that have high revenue intensity, manage inpatient occupancy, or increase revenue from outpatient primary care and ancillary services, may have a material adverse effect on its business, financial condition, results of operations and prospects.

In addition, the Group is affected by the financial ability and the willingness of individual patients, as well as corporate clients, to pay for private healthcare services. A slowdown in the economies in which the Group operates may lead to a decrease in demand for private healthcare services as more individual patients may opt for subsidised public healthcare services or treatment from other private healthcare providers that are more price competitive. Corporate clients typically conduct periodic reviews on the level of medical benefits provided to their employees and any changes to these medical benefits may affect the value of the Group's corporate contracts. A decrease in the demand for private healthcare services from individual patients, corporate clients and government clients may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The provision of healthcare services through hospitals is capital intensive and has high fixed costs

New hospitals have high start-up and fixed costs. The healthcare service industry is also subject to other high fixed costs such as specialised hospital equipment, resident physicians, ancillary medical and support staff, which are fairly fixed according to the intended capacity of a hospital and do not vary significantly with inpatient admissions. Thus, the healthcare service industry is generally more susceptible to the adverse impact of external shocks, as compared to other industries with lower fixed costs. As the healthcare service industry is generally characterised by high fixed costs, any shortfall in revenue levels as a result of external shocks, including economic downturns and other events that result in a disruption in inpatient admissions, could have an adverse impact on financial performance. There can be no assurance that such external shocks will not have an adverse impact on the Group's business, financial condition, results of operations and prospects. If any external shocks occur that adversely affect the provision of healthcare services in general, the Group may experience decreased revenue but would likely not see an immediate corresponding decrease in its fixed costs, which would have a material and adverse impact on its business, financial condition, results of operations and prospects.

The Group may not be able to successfully compete for patients with other hospitals and healthcare providers across the countries in which it operates

The healthcare industry in Singapore and Malaysia is highly competitive. There are other hospitals and clinics that provide services similar to those offered by the Group. If any of the Group's hospitals and clinics fail to live up to regulatory and/or patient requirements, standards and expectations relative to other operators, the Group's ability to attract and retain patients and medical professionals alike will be impacted.

The Group competes with government-owned hospitals, private hospitals, hospitals owned or operated by non-profit and charitable organisations, and individual practitioners in the countries in which it operates. Some of these competitors may be more established and have better medical facilities and may offer better medical care and services than the Group. New or existing competitors may price their services at more competitive rates than the Group's price or offer greater convenience or better services or facilities than that provided by the Group. Smaller hospitals, stand-alone clinics and other hospitals with lower cost structures may exert pricing pressures on some or all of the Group's services and also compete with the Group for doctors and other medical professionals. Some of the Group's competitors may also have plans to expand their hospital networks, which may exert further pressure on competition, pricing, recruitment and operating costs on the Group. If the Group is unable to price its services competitively or is unable to attract patients or manage its operating costs, its business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group is dependent on certain key management

The Group is dependent on certain key members of its management team to manage its current operations and meet future business challenges. They have been integral to the development and business operations of the Group. The loss of the services of the Group's senior management or key personnel could seriously impair its ability to continue to manage and expand its business. The Group does not maintain key man life insurance for the senior members of its management team or other key personnel.

Although the Group has succession plans in place and continues to develop its talent pool in order to ensure management continuity, the loss of the services of any of the key management personnel may have a material adverse effect on the Group's operations.

The Group's ability to maintain or renew its licences or certificates of registration or apply for new licences or certificates with respect to its operations in Malaysia is subject to the policies of the Ministry of Health, Malaysia on foreign equity participation in private healthcare facilities in Malaysia (the "Equity Policy")

Previously, the Equity Policy provided that effective from 29 July 2015, (i) 100% foreign equity participation is allowed for new private hospitals; (ii) 100% foreign equity participation is allowed for new specialist medical clinics; and (iii) up to 70% foreign equity participation is allowed for new private ambulatory care centres. As at the date of this Information Memorandum, the Equity Policy is presently being revamped and there is no clarity as to what the terms of the new revamped Equity Policy would be or when such revamped Equity Policy would be issued.

TMCLS, being the holding company of the Group's Malaysian businesses, is a public listed company whose shares are freely traded and can be acquired by anyone on Bursa Securities. As at the Latest Practicable Date, the Group holds 70.13% of the shares of TMCLS. TMCLS's subsidiaries operate four (Penang, Ipoh, Puchong and Johor Bahru) private ambulatory care centres through its wholly-owned subsidiaries. Notwithstanding the foregoing and pending the issuance and release of the revamped Equity Policy, (i) it is unclear if the Ministry of Health, Malaysia would have restrictions imposed on foreign equity participation in TMCLS or the four private ambulatory care centres; (ii) there is no guidance as to how interest or ownership is being interpreted or construed and it is unclear if the Equity Policy would apply to any upstream or indirect interest, vice versa; and (iii) although the Equity Policy is not legislation and any non-compliance with it does not in itself automatically constitute a breach under the Private Healthcare Facilities and Services Act, any non-compliance with the Equity Policy may result in imposition of sanctions by the Ministry of Health, Malaysia, including suspension, revocation or non-renewal of the licences or certificates of registration, as the case may be.

The Group may be materially and adversely affected by the spread of diseases or an outbreak of any contagious, infectious or virulent diseases and pandemics/epidemics

The outbreak of communicable or virulent diseases and pandemics/epidemics such as SARS, H5N1 avian flu, Middle East Respiratory Syndrome, Ebola and most recently, the outbreak in late 2019 of a novel strain of coronavirus being COVID-19, in countries which the Group operates may materially and adversely affect its operations. In the event such outbreaks occur at any of the Group's hospitals and/or clinics, greater infection control measures will have to be implemented with the possibility of temporary closure of the affected facility and quarantine of all affected healthcare professionals. In addition, occurrences of epidemics and pandemics could also result in negative public opinion on medical institutions, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects. Any such occurrence could also result in sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international financial markets and may materially and adversely affect Singapore, Malaysia and other economies. The occurrence or developments of any of these events or developments may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In particular, the global outbreak of COVID-19 triggered a global downturn and economic contraction and also resulted in disruption of global supply chains of medical supplies, personal protective equipment and medical equipment, resulting in a global shortage of, and delay in obtaining, such medical supplies and equipment. There can be no assurance that the Group will not be materially and adversely affected by such disruption, shortage and delay, in particular if there is a further worsening of the COVID-19 pandemic or resurgence in cases of COVID-19 in the countries in which the Group operates.

In response to the COVID-19 pandemic, the governments of many countries, states, cities and other geographical regions have implemented containment measures, such as imposing restrictions on travel. Border control and movement restrictions imposed by governments have affected the ability of the Group's foreign doctors and nursing staff to return to work and the Group's ability to hire foreign staff, leading to workforce constraints, as well as reduced the volume of medical travellers, affecting the Group's revenue. While many of the restrictions on travel have been lifted as the situation with the COVID-19 pandemic improves, there can be no assurance that governments will continue to lift and not implement new containment measures in response to new variants of the virus.

During the COVID-19 pandemic, due to directions from relevant authorities as a result of rising incidences of COVID-19 in the community, the Group from time to time has had to, among other things, temporarily close some of its medical centres and defer most of its elective surgeries in some of the jurisdictions in which it operates. While the Group has resumed the operations of all of its healthcare services as at the Latest Practicable Date, the continuation of such operations remains subject to the prevailing government regulations or policies and there can be no certainty of the extent to which the COVID-19 pandemic may further impact the Group's business, financial condition, results of operations and prospects.

The Group has taken precautionary measures against the spread of COVID-19 in its hospitals and clinics, such as frequent cleaning and disinfection of common areas, restricting the number of visitors per day and the duration of visits and ensuring that visitors and staff comply with mask-wearing and other guidelines imposed by the relevant authorities. The foregoing precautionary measures do not purport to be an exhaustive list and may be subject to change to comply with government regulations or policies as may be issued, amended or supplemented from time to time. While the Group believes that it has reacted swiftly to the COVID-19 pandemic and implemented precautionary measures to ensure the safety and well-being of its staff and patients, there can be no assurance that the precautionary measures taken will always be effective in preventing the spread of COVID-19 and future pandemics.

Furthermore, the Group's doctors, nurses and other healthcare professionals, as frontline workers to any such outbreak, will be particularly susceptible to any epidemic or pandemic, given their close contact with patients. The Group has certain measures, procedures and protocols in place to mitigate the effects of such outbreaks. These include, among others, ensuring a sufficient supply of effective personal protection equipment for all staff (for example, surgical gloves, face shields, gowns and caps, and N95 respirator masks), having stringent infection control protocols in place to prevent person-to-person contamination and keeping full records of the contact details of patients to facilitate contact tracing if necessary. However, there is no assurance that the Group's patients, doctors, nurses and other healthcare professionals will not be infected with communicable diseases, which may disrupt its business or require the affected hospitals and/or clinics to be temporarily shut down for quarantine purposes. Such disruptions to the Group's business and operations may have a negative impact on its business, financial condition, results of operations and prospects. Further, the precautionary measures taken by the Group against the spread of COVID-19 in its hospitals, clinics or other facilities as well as workforce constraints due to the imposition of movement restriction measures had resulted in and may continue to result in higher operating expenses for the Group.

If the Group does not receive payment on a timely basis, the Group's results of operations could be materially and adversely affected

The primary collection risk of the Group's account receivables relates to the failure by individual patients, corporate customers and their healthcare insurers to pay in a timely manner and in full for the services that the Group has provided. It is possible that healthcare insurers and corporate customers may change their reimbursement policies and coverage plans in the future such that the payment period may be extended or services which the Group provided to patients are no longer covered.

In addition, individual patients who do not have healthcare insurance may not be able to pay the full fees for the services they have received. If the Group does not receive payment on a timely basis, its results of operations and cash flow may be materially and adversely affected. For financial years ended 30 June 2022 and 30 June 2021, the amount of bad debts written off and allowance for doubtful debts by the Group is not material.

Compliance with applicable safety, health, environmental and other governmental regulations may be costly and adversely affect the Group's competitive position and results of operations

The Group is subject to national and local laws, rules and regulations in the countries in which it operates, governing, among other things:

(a) the conduct of the Group's operations;

(b) additions to facilities and services;

(c) the adequacy of medical care;

(d) the quality of medical facilities, equipment and services;

(e) the purchase of medications and pharmaceutical drugs;

(f) the noise pollution, discharge of pollutants to air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;

(g) the qualifications of medical and support personnel;

(h) the confidentiality, maintenance and security issues associated with health-related information and medical records; and

(i) the screening, stabilisation and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in the countries in which the Group operates are stringent and it is possible that they will become significantly more stringent in the future. If the Group is held to be in violation of such regulatory requirements, including conditions in the permits required for its operations, by courts or governmental agencies, it may have to pay fines, modify, suspend or discontinue its operations, incur additional operating costs or make capital expenditures. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on the Group. Any such costs may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

In addition, the operation of the Group is subject to various laws and regulations which relate to the procurement of large medical equipment, the pricing of medical services, the operation of radiotherapy and diagnostic imaging equipment, the licensing and operation of medical institutions, the licensing of medical staff and the prohibition on non-profit civilian medical institutions from entering into cooperation agreements with third parties to set up for-profit centres that are not independent legal entities. The Group's growth prospects may be constrained by such rules and regulations, particularly those relating to the procurement of major medical equipment. If the Group or its clinics partners fail to comply with such applicable laws and regulations, the Group could be required to make significant changes to its business and operations or suffer fines or penalties, including the potential loss of its business licenses, the suspension from use of its medical equipment, and the suspension or cessation of operations at its hospitals and/or clinics. The occurrence of such events may materially and adversely affect the business, financial condition, results of operations and prospects of the Group.

The Group has been and could become the subject of, or perceived to be, associated with governmental investigations, claims and litigation, as well as medical malpractice litigation brought by patients and patient complaints which may affect the Group's brand names and reputation

The success of the Group depends significantly on the recognition of the "Thomson Medical", "Thomson Hospital" and "TMC Fertility" brand names and its reputation in the healthcare industry as reliable service providers. As a healthcare provider, the Group is exposed to the risk of legal claims and/or regulatory actions arising from the provision of healthcare services. Healthcare companies are subject to routine audits and may be subject, in the event of complaints, to investigations by various governmental agencies and claims and litigation by patients. Certain of the Group's individual facilities have received, and other facilities may receive, government inquiries into its operations as part of the licence renewal process and arising from patient complaints, and may be subject to investigations by, national, provincial and municipal agencies. Governmental agencies and their agents, such as the Ministry of Health in Singapore and

Malaysia conduct audits of the Group's healthcare operations. The Group also performs internal audits and monitoring. Should the Group be found to be non-compliant with any of the relevant laws and regulations, the Group may face penalties, suspension of operations or even revocation of operating licenses, which may materially and adversely affect its brand names and reputation, business, financial condition, results of operations and prospects.

In addition, legal action may be taken against the Group as a result of medical malpractice and negligence. In particular, with the advent of new technologies and modalities of treatment, the amount of medical malpractice litigation brought by patients has increased across the industry. Such medical malpractice litigation is typically brought against the patient's doctor and may also seek to include as a defendant the hospital and/or clinic at which treatment was given. Since many of the Group's doctors in Singapore and Malaysia are independent medical practitioners, the Group is unable to control their practice even though the Group may be held responsible for the doctors' actions by a court. The Group may be adversely affected by its association with the doctor involved in the medical malpractice litigation. Further, even if the Group is not involved in such medical malpractice litigation, the reputation of the Group's hospitals and/or clinics may be adversely affected by the Group's association with the doctor involved in the medical malpractice litigation. In addition, if such medical malpractice litigation is not decided in favour of the doctor or the Group, the business, financial position, results of operations and prospects of the Group may be materially and adversely affected.

There is no certainty that medical negligence insurance taken by the Group will be sufficient to fully indemnify it against all such liabilities. If such claims exceed the insurance coverage taken up by the Group or the claims are not covered by insurance policies taken by the Group, the Group would have to fund such losses or damages from its internal resources which may have a material adverse impact on its financial position and results of operations.

The Group may also, from time to time, be the subject of complaints from patients. Any complaint against the Group's medical practitioners, its healthcare professionals or the Group may also result in investigations and/or disciplinary actions by the relevant governing professional body (including the Singapore Medical Council and Ministry of Health) which could in turn result in fines, suspension and/or the revocation of licences. The occurrence of any of the foregoing events may have a material adverse impact on the staff morale, business, financial condition, results of operations and prospects of the Group.

The business of the Group may also be affected by negative publicity resulting from social media reviews, publication of industry findings and research reports. Such negative publicity, regardless of their validity, may affect the number of patients visiting the hospitals and clinics owned by the Group and the Group's revenue and profits may, as a result, be adversely affected.

Potential liability for environmental problems could result in unanticipated costs

The Group's operations may utilise certain materials, processes or installations which are regulated pursuant to various environmental laws, including those relating to health and hygiene, waste disposal, and storage of hazardous materials, or may require environmental permits from regulatory authorities. These items include, but are not limited to, medical or infectious waste, incinerators, and harmful chemical solvents and/or by-products. The costs of removal or remediation of such substances could be substantial. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous substances. There can be no assurance that potential environmental liabilities do not exist or will not arise in the future. The presence of contamination or hazardous substances on the Group's facilities may require the Group to incur unbudgeted capital expenditure to remedy the issues, which could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The Group is reliant, to some extent, on a number of brand names and trademarks in its businesses

The Group relies upon certain brand names and trademarks for its businesses. For example, it utilises the "Thomson", "Thomson Medical" and "TMC Fertility" brands and trademarks. If the Group fails to protect and enhance its brand identities, or if the Group fails to properly supervise the use of, and compliance with, its brands by third party healthcare or other facility providers, the market recognition of each of the Group's brands and trademarks may deteriorate. Any claims and legal actions brought forward by the Group's patients may also have a negative impact on its brand image. As such, the Group may not attract optimum utilisation of its services and, as a result it may have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Regulation of healthcare costs may adversely affect the Group

In November 2018 and December 2020, the Ministry of Health published fee benchmarks for private sector professional fees for common surgical procedures, and anaesthetists' and inpatient doctors' fees, respectively (the "**MOH Fee Guidelines**"). The MOH Fee Guidelines stipulate a range of fees for each procedure and take into account factors including the complexity of medical procedures and the time, effort and expertise required. While the MOH Fee Guidelines are a guideline, and medical practitioners are not required to price their services within the guidelines, the Group has adopted a pricing model ("**Group Pricing Model**") that is benchmarked to the prevailing MOH Fee Guidelines. However, there is no assurance that the MOH Fee Guidelines may not be revised in the future, and to the extent that the MOH Fee Guidelines are lowered, the Group may adjust the Group Pricing Model such that its fees are reduced to conform with these lowered MOH Fee Guidelines, and any such lower fees may reduce its revenues and profitability.

Rapid technological advances, technological failures and other challenges related to medical equipment and information technology systems could adversely affect the Group's business and increase its capital expenditure

The Group owns and uses sophisticated medical equipment, devices and systems in its hospitals and clinics for the treatment of patients. Such medical equipment needs to be upgraded frequently as innovation can rapidly make existing equipment obsolete. In addition, if the equipment is damaged or breaks down, key parts may not be available, thus impairing the Group's ability to provide the relevant services to its patients. Replacement, upgrading or maintenance of equipment may involve significant costs.

The Group's information technology systems are a critical part of its business and internal control and management systems, and help to manage clinical systems, medical records and inventory. Any technical failures associated with the information technology systems, including those caused by power failures and computer viruses and other unauthorised tampering, may cause interruptions in the Group's ability to provide services to its patients. Also, if the information technology systems are not upgraded as needed, the Group may not be able to adequately manage its clinical systems, medical records and inventory.

The Group may be subject to liability as the result of any theft or misuse of personal information stored on its systems. In Singapore, regulations governing the operation of private hospitals and medical clinics require licensees of a private hospital, medical clinic or healthcare establishment to keep and maintain proper medical records. Such licensees are required to take all reasonable steps, including implementing processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification. The Group's business requires it to handle, store and manage personal information pertaining to its patients, as well as transmit personal, confidential and proprietary information, such as customers' credit card details, over public networks. Any contravention of these regulations would render the person committing the offence liable on conviction to a fine or imprisonment. In Malaysia, regulations governing private healthcare facilities require such healthcare facilities to maintain an appropriate patient medical records system and to be responsible for safeguarding the information on the patients' medical records against loss, tampering or use by unauthorised persons. Any contravention of these regulations would render the person committing the offence liable on conviction to a fine or imprisonment. These laws, rules and regulations are subject to change. Compliance with new privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require the Group to alter its business model or operations which may in turn affect its business, financial condition, results of operations and prospects.

The Group has taken measures to enhance the systems and procedures to maintain the confidentiality of the medical and personal information relating to its patients. However, these measures may not always be effective in protecting the relevant medical information. There can be no assurance that the Group will not be exposed to risks relating to the handling of medical and personal data. There is no assurance there will be no future data leakage or improper use of medical and personal information due to technology failures, human error or lapses in the Group's controls over access to such information, particularly as the Group ventures into telemedicine and other digital health technology offerings.

If the Group is unable to keep up with technological advances or if there are any technical failures of its information technology systems, the business, financial condition, results of operations and prospects of the Group may be adversely affected.

The Group may fail to integrate, control, update or secure its information technology systems

The efficient operation of the Group's business depends on its information technology systems. The Group relies on its information technology systems to, among other things, schedule and manage the provision of services to its patients, effectively manage accounting and financial functions, monitor internal cost factors and facilitate consultations among medical professionals. These systems are often tailored to the particular needs of patients and the specific markets in which the Group operates.

If the Group experiences an interruption or a reduction in the performance, reliability or availability of its information systems from natural or man-made causes, or from disruptions from its local service providers, its operations and ability to manage its administrative systems could be adversely impacted. Any technical failures associated with its information technology systems, including those caused by power failures, computer viruses and other unauthorised tampering may cause interruptions in its ability to provide services to its patients. Corruption of certain information could also lead to delayed or inaccurate judgments or diagnoses in its treatment of patients and could result in damage to patients' welfare.

The Group's business depends significantly on effective information technology systems, and it has several different information technology systems for various businesses across the countries in which it operates. Failure to effectively maintain and upgrade those information technology systems could adversely affect its business. Moreover, the proposed expansion of facilities and acquisition of new centres requires transitions to or from, and the integration of, various information systems. The failure to implement and maintain sufficiently advanced technological capabilities could result in competitive and cost disadvantages to the Group as compared to its competitors. In the event of any failure of its information technology systems, the inability to effectively implement its business continuity plans would lead to a disruption in operations and may have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's information technology systems require an ongoing commitment of resources to maintain and enhance existing systems and develop new systems in order to keep pace with continuing changes in information processing technology. The Group is also reliant on its information technology vendors, including its internet service providers, to provide continued technical support and to maintain the integrity of the information technology systems.

The Group may be subject to cyber-attacks and other cybersecurity risks and threats

The Group may be subject to cyber-attacks and other cybersecurity risks and threats, including computer break-ins, phishing, and social engineering. Such vulnerabilities may put it at risk for possible losses due to fraud or operational disruption. If the Group is unable to prevent or contain the effects of any cyber-attacks, or prevent other privacy or data security incidents that result in security breaches that disrupt operations or result in the unintended dissemination of sensitive personal information or proprietary or confidential information, then the Group may incur financial losses, substantial regulatory fines or penalties, liability, reputational harm, and the downtime required to rectify any such security breaches that may disrupt its business, and/or also lead to material adverse effects on its business, financial condition, results of operations and prospects. While steps have been taken to mitigate such risks, such as the obtaining of cybersecurity insurance to cover losses from a variety of cyber incidents and continuous strengthening and upgrading of its cybersecurity systems and controls, there is no assurance that such steps will be sufficient to cover all losses arising from such cyber incidents.

Clinical governance risk is an inherent operational risk relating to the Group's business

The Group is committed to ensuring that customers are treated and cared for according to evidence-based best practice, high clinical standards and with a view to patient safety. In furtherance of such a commitment to safety, the Group only permits qualified specialist doctors accredited by the Singapore Medical Council and Thomson Medical Centre to admit patients into its Singapore hospital. All doctors that operates in TMC and doctors that are employed or contracted by the Group are duly registered in the Register of Medical Practitioners and the Register of Specialists under the Medical Registration Act Chapter 174. TMC appoints a Medical Advisory Board that is tasked with (a) advising the hospital management on policy matters pertaining to medical, nursing and allied health practices; (b) monitor and evaluate the quality and appropriateness of the services, practices and procedures in TMC; (c) identify and resolve issues arising in relation to the services provided, the practices or procedures performed by medical practitioners and nursing staff; (d) make recommendations to improve the quality of the services, practices and procedures in TMC, and (e) advise and assist in conducting teaching programs for medical, nursing and allied health staff. In addition to this, under the MAB, TMC has an Accreditation and Credentialing Committee ("**ACC**"). The responsibilities of the ACC include (a) review and approve applications from medical practitioners seeking accreditation and privileging to practise at TMC, (b) review and where necessary, advise the MAB on the medical practitioner's competency to practise at TMC and (c) review and update the guidelines for granting of privileges to the different categories of medical practitioners. In Malaysia, the Group only permits specialist doctors registered with the National Specialist Registrar to practice within its hospital and clinics. The Group also receives recommendations and feedback on systems and controls relating to clinical governance within the Group. This approach is designed to ensure oversight across the Group. Failure to adequately monitor clinical risks could lead to regulatory action against the Group and may have a material and adverse impact on its business, financial condition, results of operations and prospects.

Increase in operating costs, namely lease rental rates, and risk of relocation due to the inability to renew the existing leases may cause disruption to business operations of the Group

The Group leases the premises at which it operates its clinics. The existing lease terms are typically three years. Upon the expiry of the leased tenure, the landlords, including but not limited to HDB, have the right to review and revise the terms and conditions of the lease agreements, which may include an increase in rental rates. The landlords may not renew the leases at all or on terms and conditions favourable to the Group. Any increase in rental rates would increase the operating costs of the Group, thereby affecting its profits. If the leases for the clinics are not renewed, the Group may incur additional costs and its business and operations may suffer from disruptions due to relocation and loss of prime locations. Furthermore, the clinics may lose the business of local patients with whom doctors have built a doctor-patient relationship.

The Group's insurance coverage and indemnities may not cover all damages and losses

The Group requires its doctors to take out professional indemnity insurance policies at their own costs. Although the Group has assessed its risks and purchased insurance including, amongst others, medical malpractice, work injury compensation, public liability, industrial special risk, there is however no assurance that the present insurance coverage will be sufficient to cover all potential liabilities and risks that the Group may face. There is also no certainty whether any or all of the relevant insurers will remain solvent and meet their contracted obligations to provide the coverage contracted for.

Should there be adverse developments such as terrorist attacks and other natural or man-made disasters such as earthquakes, floods, fire hazards and other events beyond the Group's control in Singapore, Malaysia or any other regions where it has operations, the Group may not have adequate insurance coverage to cover these liabilities and risks and its business, financial condition, results of operations and prospects may be materially and adversely affected.

If the arrangements for insurance are insufficient, including coverage for any claims which exceed aggregate policy limits, the Group may be required to make substantial payments, which may have a material adverse effect on its business, financial position, results of business operations and prospects.

The value of the Group's intangible assets and costs of investment may become impaired

Due largely to the Group's past business acquisitions, goodwill and other intangible assets represent a substantial portion of its assets. Goodwill and other intangible assets were approximately S$484.2 million as at 31 December 2022, representing approximately 36.1% of the Group's total assets and 83.1% of the Group's consolidated total equity. If the Group makes additional acquisitions, it is likely that the Group will record additional intangible assets and goodwill on its consolidated balance sheets.

In accordance with applicable accounting standards, the Group periodically evaluates its goodwill and other intangible assets to determine whether all or a portion of their carrying values may no longer be recoverable, in which case a charge to the income statement may be necessary. Such impairment testing requires the Group to make assumptions and judgments regarding the estimated recoverable amount of its reporting units, including goodwill and other intangible assets.

Estimated recoverable amounts developed based on the Group's assumptions and judgments might be significantly different if other reasonable assumptions and estimates were to be used. If estimated recoverable amounts are less than the carrying values for goodwill and other intangible assets with indefinite lives in future annual impairment tests, or if significant impairment indicators are noted relative to other intangible assets subject to amortisation, the Group may be required to record impairment losses in future periods.

Any future evaluations requiring an impairment of the Group's goodwill and other intangible assets could materially affect its results of operations and shareholders' equity in the period in which the impairment occurs. A material decrease in shareholders' equity could, in turn, potentially impact the Group's compliance with existing debt covenants and similar restrictions and its ability to pay dividends. In addition, the estimated value of the Group's reporting units may be impacted as a result of business decisions it makes associated with the implementation of the various healthcare reform regulations. Such decisions, which could unfavourably affect the Group's ability to support the carrying value of certain goodwill and other intangible assets, could result in impairment charges in future periods, which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

If the Group is unable to identify expansion opportunities or experience delays or other problems in implementing such projects, its growth, business, financial condition, results of operations and prospects may be adversely affected

The Group's growth strategy depends, to an extent, on its ability to fund, build or acquire and manage additional hospitals and healthcare businesses. The Group may also expand, improve and augment its existing hospitals and healthcare businesses. The Group is continuously evaluating other projects, including acquisition opportunities, some of which it may realise in the imminent future and which may be material. Such acquisitions and expansions are capital expenditure intensive. The Group may not be able to identify suitable sites for new healthcare businesses, acquisition candidates or negotiate attractive terms for such projects, or expand, improve and augment its existing businesses. The number of attractive expansion opportunities may be limited, and may command high valuations, and the Group may be unable to secure the necessary financing to implement expansion projects. Development and construction costs of these projects may escalate substantially beyond the Group's budgets, resulting in pressure on its financial conditions and cash flows or in the project being no longer feasible. Furthermore, these projects may be subject to unforeseen legal or regulatory issues, such as changes in such laws and regulations or difficulty in obtaining licences, approvals or permits that the Group requires to operate its businesses. If the Group is not able to successfully identify opportunities to build, acquire or expand its additional and existing hospitals and healthcare businesses or face difficulties or delays in the process of developing, acquiring or expanding such operations, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group's ability to borrow in the bank or capital markets may be materially and adversely affected by a financial crisis in a particular geographic region, industry or economic sector or other geopolitical factors

The Group's ability to borrow in the bank or capital markets to meet the financial requirements of the Group is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors could in the future, lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, which in turn threaten affected companies, financial systems and economies, and which may also significantly increase the costs of such borrowing. The Group relies on, *inter alia*, bank loans and debt issuances to satisfy its capital requirements and the existing level of indebtedness of the Group may also materially impact its ability to raise additional financing and/or refinancing on competitive terms and its cost of funding may increase in the event of any financial crises.

Geopolitics, in particular, continues to be an area of concern, including ongoing threats of terrorism, instability in the Middle East and tensions in East Asia and in Ukraine. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict the Group's access to capital. These conditions have resulted in higher historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets.

For these or other reasons, the Group may be unable to obtain future financing on favourable terms, or at all, to fund the Group's operations, anticipated capital expenditure and working capital requirements which may have a material and adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group is subject to risks associated with debt financing and interest rate fluctuations

The Group currently, and expects to continue to, fund its business and future growth through a combination of internal cash resources, equity and debt financing. The Group's ability to raise funds on terms acceptable to it will depend on factors including capital market conditions, general economic and political conditions, the Group's performance, credit rating and availability. Both the cost and availability of funding may be materially and adversely affected by disruptions in the global capital markets. Changes in the cost of current and future borrowings, including a rise in interest rates, may materially and adversely affect the profitability of the Group and result in the risk that its cash flow will be insufficient to meet required payments under such financing, which may materially and adversely affect the Issuer's ability to make payments to Securityholders. The Group is also subject to the risk that it may not be able to refinance its existing borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings.

In addition, the Group may be subject to certain covenants in connection with any future borrowings that may limit or otherwise materially and adversely affect its business and operations and its ability to make payments to Securityholders. Such covenants may also restrict its ability to undertake capital expenditures. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make available debt financing) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Some of the Group's existing debt, and the Group's future borrowings may, carry floating interest rates. Consequentially, the interest cost to the Group for such loans will be subject to fluctuations in interest rates. There is no certainty that interest rates will not increase to the detriment of the Group, and the risk of increase in short-term interest rates may adversely affect the borrowings which are pegged to floating rates. Consequentially, interest rate fluctuations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may be susceptible to fluctuation in foreign exchange rates that could result in the Group incurring foreign exchange losses

The Group is exposed to foreign exchange rate risk arising from translation as a consequence of operating in different countries. The Group is exposed to the risk of losses arising from adverse and/or volatile movements in exchange rates, in particular the Malaysian Ringgit to Singapore

Dollar exchange rate. In FY2022, the Group earned S$79.1 million in Malaysia which formed 23.7% of the Group's total revenue of S$333.7 million for the year. The effect of exchange rate fluctuations on local operating results could lead to significant fluctuations in the results reported in the Group's consolidated financial statements upon the translation of the Group's results into Singapore Dollars. Foreign exchange fluctuation could materially and adversely affect the Group's reported results due to unhedged positions. If the Group were to suffer substantial losses due to exchange rate volatility, it may adversely affect the Group's solvency capital ratios, results of operations and financial condition.

The Group may engage in hedging transactions, which can limit gains and increase costs

The Group may enter into hedging transactions to protect itself from the effects of interest rate fluctuations on floating rate debt and exchange rate fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. However, hedging may not always have the desired beneficial effect on the results of operations or financial condition of the Group. No hedging activity can completely insulate the Group from risks associated with changes in interest rates and exchange rates, and changes in foreign exchange rates, for example, may negatively affect the Group's asset value. Moreover, interest rate hedging could fail to protect the Group or adversely affect the Group because, among other things:

(a) the available hedging may not correspond directly with the risk for which protection is sought;

(b) the nominal amount of the hedge may not match the amount of the related liability;

(c) the party owing money in the hedging transaction may default on its obligation to pay;

(d) the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the ability of the Group to sell or assign its side of the hedging transaction; and

(e) the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments and the significant loss in value of hedging instruments due to a write down to fair value would reduce the net asset value of the Group.

Hedging involves risks and typically involves costs, including transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. The Group regularly monitors the feasibility of engaging in such hedging transactions, taking into account the cost of such hedging transactions.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes of the Group, including refinancing of borrowings, financing potential acquisitions, strategic expansions, general working capital, capital expenditure and other investments of the Group or such purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal, interest or distributions with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

TAXATION

Singapore taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under each tranche of the Perpetual Securities (including any Arrears of Distribution and Additional Distribution Amount) are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is 22.0% prior to the year of assessment 2024, and 24.0% thereafter. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

It was announced in the Singapore Budget Statement 2023 that the requirement that qualifying debt securities ("**QDS**") have to be substantially arranged in Singapore will be rationalised, such that for all debt securities that are issued on or after 15 February 2023, such debt securities must be substantially arranged in Singapore by a financial institution holding a specified licence (the "**Relevant Licence Holder**"), instead of a relevant Financial Sector Incentive Company. In this regard, a Relevant Licence Holder is intended to mean an entity which:

(i) is any bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) is any finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) holds a capital markets services licence under the Securities and Futures Act 2001 of Singapore for dealing in capital markets products – securities or advising on corporate finance.

The MAS will be providing further details by 31 May 2023.

As the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) and is a Relevant Licence Holder, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be QDS for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

    (aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

    (bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

    payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:

   (i) any related party of the Issuer; or

   (ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

   shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
>
> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

It was also announced in the Singapore Budget Statement 2023 that the QDS scheme will be extended until 31 December 2028, and the scope of qualifying income under the QDS scheme will be streamlined and clarified such that it includes all payments in relation to early redemption of QDS. The MAS will be providing further details by 31 May 2023.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Foreign Account Tax Compliance Act Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Securities that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

Noteholders and Securityholders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Tranche of Securities, such Securities, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Securities as permitted by applicable law. They are not obligated, however, to make a market in the Securities and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Securities.

The Arranger, the Dealers or any of their respective affiliates may purchase Securities for its own account or enter into secondary market transactions or derivative transactions relating to the Securities, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Securities. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Securities). As a result of such transactions, the Arranger, the Dealers or any of their respective affiliates may hold long or short positions relating to the Securities.

The Arranger, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer and/or its subsidiaries, jointly controlled entities or associated companies from time to time. The Arranger, the Dealers or any of their respective affiliates have received, or may in the future receive, customary fees and/or commissions for these transactions. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Arranger, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arranger, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arranger, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. The Arranger, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

United States

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions not subject to the registration requirements of Regulation S of the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meanings given to them by Regulation S.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it has not offered or sold, and will not offer, sell or deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Securities within the United States by any dealer that is not participating in the offering of such tranche of Securities may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

 (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

 (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

 (c) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State, except that it may make an offer of such Securities to the public in that Member State:

(i) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

  (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**");

  (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Securities to the public in the United Kingdom:

(i) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

The selling restrictions herein contained may be modified, varied or amended from time to time by notification from the Issuer to the Dealers and each Dealer has undertaken that it will at all times comply with all such selling restrictions.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any offer document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any Pricing Supplement or any other document in connection with the offer or sale, or invitation for subscription or purchase, of the Securities.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name, age and position of each of the Directors are set out below:

Name	Age	Position
Mr Ng Ser Miang	74	Chairman, Non-Executive and Independent Director
Mr Lim Wee Kiat	29	Executive Vice-Chairman
Dr Heng Jun Li Melvin	40	Executive Director and Group Chief Executive Officer
Mr Wilson Sam	47	Executive Director and Group Chief Financial Officer
Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob	39	Executive Director and Group Chief Executive Officer – TMC Life Sciences Berhad
Mr Ong Pang Liang	63	Independent Director
Dr Lam Lee G	63	Independent Director
Ms Christina Teo Tze Wei	49	Independent Director
Ms June Leong Lai Ling	48	Independent Director

2. Save for Mr Lim Wee Kiat, who is the son of Mr Lim Eng Hock, none of the Directors is related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer.

3. No Director is or was involved in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

4. The interests of the substantial shareholders and the Directors of the Issuer in the Shares as at the LPD are as follows:

Substantial shareholders	Direct interest	%	Deemed interest	%
Bellton International Limited	–	–	586,347,894	2.22[1]
Garville Pte. Ltd.	–	–	111,930,588	0.42[1]
Jovina Investments Limited	–	–	967,311,317	3.66[1]
Meriton Capital Limited	–	–	743,600,394	2.81[1]
Mr Lim Eng Hock	6,833,333,334	25.84	16,909,190,193	63.95[1]

Directors	Direct interest	%	Deemed interest	%	Shares granted under Share Grant Plan 2015[2]
Mr Ng Ser Miang	9,000,000	0.03	6,600,000	0.02[3]	–
Mr Ong Pang Liang	15,000,000	0.06	–	–	–
Dr Heng Jun Li Melvin	–	–	–	–	10,278,500[4]
Mr Wilson Sam	–	–	–	–	7,567,100[5]

Notes:

(1) Mr Lim Eng Hock is deemed interested in the shares registered in the name of Bellton International Limited, Garville Pte. Ltd., Jovina Investments Limited and Meriton Capital Limited by virtue of Section 4 of the SFA and shares held through nominees.

(2) This refers to the Issuer's share incentive scheme known as the "Share Grant Plan 2015", which was approved by shareholders at the Issuer's extraordinary general meeting held on 29 April 2015.

(3) Mr Ng Ser Miang is deemed interested in the shares registered in the name of his spouse by virtue of Section 4 of the SFA.

(4) This consists of (a) 1,468,400 Shares, the grant of which are subject to time-based vesting conditions (the "**Time-based Awards**"), and (b) 8,810,100 Shares, the grant of which are subject to performance conditions (the "**Performance-related Awards**"). The Shares in respect of the Time-based Awards will vest on 8 March 2026. The Shares in respect of the Performance-related Awards will vest on 31 August 2025, but the actual number of Shares to be released on the vesting date in respect of the Performance-related Awards could range from 0 to 1.5 times of the total number of Shares comprised in the Performance-related Awards depending on the level of achievement of performance targets set over a 3-year performance period, and other terms and conditions being satisfied.

(5) This consists of (a) 1,081,100 Shares in respect of the Time-based Awards, and (b) 6,486,100 Shares in respect of the Performance-related Awards.

SHARE CAPITAL

5. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

6. The issued share capital of the Issuer as at LPD is as follows:

Share Designation	Issued Share Capital	
	(Number of Shares)	Amount
Ordinary Shares	26,441,066,807	S$1,812,437,610

BORROWINGS

7. Save as disclosed in Appendix III, the Group had as at 30 June 2022 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

8. The Issuer is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, the Issuer will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

9. There has been no significant change in the accounting policies of the Issuer since its audited consolidated financial statements for FY2022.

LITIGATION

10. There are no legal or arbitration proceedings pending or, to the best of the Issuer's knowledge after making all reasonable enquiries, threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group taken as a whole.

MATERIAL ADVERSE CHANGE

11. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 30 June 2022.

CONSENT

12. Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

LEGAL ENTITY IDENTIFIER

13. The Legal Entity Identifier of the Issuer is 254900AMK74BU9HIEH14.

DOCUMENTS AVAILABLE FOR INSPECTION

14. Copies of the following documents may be inspected at the registered office of the Issuer at 101 Thomson Road #20-04/05 United Square, Singapore 307591 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed;

    (c) the letter of consent referred to in paragraph 12 above; and

    (d) the audited consolidated financial statements of the Group for FY2021 and FY2022.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE AND THE NOTES SECURITY TRUSTEE

15. The functions, rights and obligations of the Trustee and the Notes Security Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THOMSON MEDICAL GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The information in this Appendix II has been reproduced from the auditor's report on the consolidated financial statements of Thomson Medical Group Limited and its subsidiaries for FY2021 and has not been specifically prepared for inclusion in this Information Memorandum.

Company Registration No. 199908381D

Thomson Medical Group Limited and its Subsidiaries

Annual Financial Statements
30 June 2021

Building a better
working world

Index

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' 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:

	Direct interest held in the name of the director or nominee		Deemed interest	
Name of director	**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) *Ordinary shares*				
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) *Piggyback Warrants*[1]				
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				
Employees' share option scheme[2]				
Dr Lam Lee G	–	2,000,000	–	–

(1) The Company issued and allotted a total of 369,266,062 Piggyback Warrants to the Warrantholders in relation to the Bonus Warrants exercised pursuant to the Circular dated 28 February 2018. The Piggyback Warrants entitles the Warrantholders 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.

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.

Share options (cont'd)

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

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.

Warrants

The Company issued and allotted a total of 369,266,062 Piggyback Warrants to the Warrantholders in relation to the Bonus Warrants exercised pursuant to the Circular dated 28 February 2018. The Piggyback Warrants entitles the Warrantholders 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 to the members of Thomson Medical Group Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Thomson Medical Group Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the statements of financial position of the Group and Company as at 30 June 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.

Key audit matters (cont'd)

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.

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.

Key audit matters (cont'd)

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.

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 Warrantholdings, 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.

Other information (cont'd)

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- 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.

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

Thomson Medical Group Limited and its Subsidiaries

Consolidated statement of profit or loss
For the financial year ended 30 June 2021

(Amounts in Singapore dollars)

	Note	1 Jul 2020 to 30 Jun 2021	1 Jan 2019 to 30 Jun 2020
		$'000	$'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

(Amounts in Singapore dollars)

	1 Jul 2020 to 30 Jun 2021	1 Jan 2019 to 30 Jun 2020
	$'000	$'000
Profit/(loss) for the year/period	16,910	(96,176)
Other comprehensive income:		
Item that will not be reclassified to profit or loss		
Net change in fair value of equity instruments at fair value through other comprehensive income (FVOCI)	–	62
Item that may be reclassified subsequently to profit or loss		
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

(Amounts in Singapore dollars)

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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

(Amounts in Singapore dollars)

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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.

Thomson Medical Group Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 30 June 2021

(Amounts in Singapore dollars)

			Attributable to owners of the Company					
	Equity, total	Equity attributable to owners of the Company	Share capital (Note 28)	Merger reserve (Note 29)	Foreign currency translation reserve (Note 29)	Capital reserve (Note 29)	Retained earnings	Non-controlling interests
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Opening balance at 1 July 2020	**552,860**	**477,896**	**2,364,497**	**(1,842,369)**	**(81,131)**	**(47,128)**	**84,027**	**74,964**
Profit for the year	16,910	14,237	–	–	–	–	14,237	2,673
Other comprehensive income								
Foreign currency translation	(2,990)	(2,293)	–	–	(2,293)	–	–	(697)
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)	–	14,237	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)**	**98,264**	**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

(Amounts in Singapore dollars)

		Attributable to owners of the Company									
	Equity, total	Equity attributable to owners of the Company	Share capital (Note 28)	Merger reserve (Note 29)	Foreign currency translation reserve (Note 29)	Capital reserve (Note 29)	Warrant reserve (Note 29)	Fair value reserve	Retained earnings	Reserve of disposal group classified as held for distribution (Note 11)	Non-controlling interests
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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

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

(Amounts in Singapore dollars)

		Attributable to owners of the Company									
	Equity, total	Equity attributable to owners of the Company	Share capital (Note 28)	Merger reserve (Note 29)	Foreign currency translation reserve (Note 29)	Capital reserve (Note 29)	Warrant reserve (Note 29)	Fair value reserve	Retained earnings	Reserve of disposal group classified as held for distribution (Note 11)	Non-controlling interests
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
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

(Amounts in Singapore dollars)

		Attributable to owners of the Company									
	Equity, total	**Equity attributable to owners of the Company**	**Share capital (Note 28)**	**Merger reserve (Note 29)**	**Foreign currency translation reserve (Note 29)**	**Capital reserve (Note 29)**	**Warrant reserve (Note 29)**	**Fair value reserve**	**Retained earnings**	**Reserve of disposal group classified as held for distribution (Note 11)**	**Non-controlling interests**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
Changes in ownership interests in subsidiaries											
Dilution of equity interests in a subsidiary due to the conversion of warrants	–	(542)	–	–	–	(542)	–	–	–	–	542
Total transactions with owners in their capacity as owners	–	(542)	–	–	–	(542)	–	–	–	–	542
Others											
Reserve attributable to disposal group classified as held for distribution	–	–	–	–	320	–	–	(62)	–	(258)	–
Expiry of warrants issued by a subsidiary	–	–	–	–	–	–	(15,426)	–	15,426	–	–
Total others	–	–	–	–	320	–	(15,426)	(62)	15,426	(258)	–
Closing balance at 30 June 2020	**552,860**	**477,896**	**2,364,497**	**(1,842,369)**	**(81,131)**	**(47,128)**	–	–	**84,027**	–	**74,964**

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

(Amounts in Singapore dollars)

	Equity, total	Share capital (Note 28)	Accumulated losses
	$'000	$'000	$'000
Company			
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)
Contributions by and distributions to owners			
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)

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

Thomson Medical Group Limited and its Subsidiaries

Consolidated statement of cash flows
For the financial year ended 30 June 2021

(Amounts in Singapore dollars)

	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)
Adjustments for:			
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
Changes in working capital:			
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

(Amounts in Singapore dollars)

	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).

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

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.

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

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.

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

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

(c) *Business combinations involving entities under common control*

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.

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. Summary of significant accounting policies (cont'd)

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.

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

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

2.7 *Property and equipment (cont'd)*

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.

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.

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

2.8 *Intangible assets (cont'd)*

(a) *Goodwill (cont'd)*

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.

(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.

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

2.8 *Intangible assets (cont'd)*

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

(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

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

2.10 *Development property*

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

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

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

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

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

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

2.11 *Impairment of non-financial assets*

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

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

Impairment losses are recognised in profit or loss.

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

2.12 *Subsidiaries*

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

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

2.13 *Affiliated company*

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

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

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 though 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.

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

2.14 *Financial instruments (cont'd)*

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

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. Summary of significant accounting policies (cont'd)

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.

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. Summary of significant accounting policies (cont'd)

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.

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. Summary of significant accounting policies (cont'd)

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.

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

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.

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.

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

2.23 *Revenue (cont'd)*

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

For the rendering of healthcare related package services where the Group satisfies its performance obligations over time, management has determined that an output method provides a faithful depiction of the Group's performance in transferring control of the goods or services to the customers, as it reflects the direct measurements of the value to the customer of goods or services transferred to date relative to the remaining goods or services promised under the contract. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

For the sale of bundled health screening packages, the Group allocates the transaction price to the sale of each distinct service based on their relative stand-alone selling prices. For the sale of bundled vaccination packages, the Group continues to uniformly allocate transaction price based on the pre-determined number of vaccinations within a bundled package as it has assessed the difference of allocating transaction price to the sale of each distinct service based on their relative stand-alone selling prices to be not material. The standalone selling prices are determined based on an adjusted market assessment approach.

(b) *Sale of goods*

Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of the goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods

(c) *Rental income*

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Dividends*

Dividend income from subsidiaries and associates are recognised in profit or loss when the right to receive payment is established.

(e) *Interest income*

Interest income is recognised using the effective interest method.

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

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.

(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.

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

2.24 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.25 *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.

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

2.26 *Contingencies (cont'd)*

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.

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).

3. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(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.

4. Revenue

(a) *Disaggregation of revenue*

	1 Jul 2020 to 30 Jun 2021	1 Jan 2019 to 30 Jun 2020
	$'000	$'000
Major product or service lines		
Rendering of services, including sale of goods	237,316	323,329
Rental income	3,082	4,469
	240,398	327,798
Timing of revenue recognition		
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	2020
	$'000	$'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.

4. Revenue (cont'd)

(b) ***Contract balances (cont'd)***

Significant changes in contract liabilities during the financial year/period are as follows:

	Group	
	1 Jul 2020 to 30 Jun 2021	**1 Jan 2019 to 30 Jun 2020**
	$'000	$'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)

5. Other income

	Group	
	1 Jul 2020 to 30 Jun 2021	**1 Jan 2019 to 30 Jun 2020**
	$'000	$'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	1 Jan 2019 to 30 Jun 2020
	$'000	$'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

7. Profit/(loss) before taxation from continuing operations

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

		Group	
	Note	1 Jul 2020 to 30 Jun 2021	1 Jan 2019 to 30 Jun 2020
		$'000	$'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	Group 1 Jan 2019 to 30 Jun 2020
	$'000	$'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.

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
	24,081,000		

8. Staff costs (cont'd)

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

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 No.	WAEP (MYR)	1 Jan 2019 to 30 Jun 2020 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	24,081,000	0.79	18,116,000	0.81
Exercisable at end of the year/period	24,081,000	0.79	18,116,000	0.81

- 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)	0.54	0.74	0.94	0.94	0.51	0.63

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	**1 Jan 2019 to 30 Jun 2020**
	$'000	$'000
With affiliates		
Purchase of services	–	(491)
With ultimate controlling shareholder		
Hotel apartment fee	–	72

Compensation of directors and key management personnel

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

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:

		Group	
	Note	1 Jul 2020 to 30 Jun 2021	1 Jan 2019 to 30 Jun 2020
		$'000	$'000
Consolidated statement of profit or loss:			
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

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	1 Jan 2019 to 30 Jun 2020
	$'000	$'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.

11. Discontinued operation and disposal group classified as held for distribution (cont'd)

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".

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:

	Group 31 Jan 2019 $'000
Assets:	
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	208,203
Liabilities:	
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	(55,923)
Net assets directly associated with disposal group classified as held for distribution	152,280
Reserves:	
Fair value reserve	412
Foreign currency translation reserve	1,319
Statutory reserve	(197)
	1,534

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:

	Group 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:

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

11. Discontinued operation and disposal group classified as held for distribution (cont'd)

Loss per share disclosures

	Group 1 Jan 2019 to 31 Jan 2020 $'000
Loss per share from discontinued operation attributable to owners of the Company (cents per share)	
Basic	(0.008)
Diluted	(0.008)

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.

12. Earnings/(loss) per share (cont'd)

Continuing operations (cont'd)

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	**1 Jan 2019 to 30 Jun 2020**
	$'000	$'000
Profit/(loss) for the year/period attributable to owners of the Company	14,237	(99,196)
Add back: 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	**1 Jan 2019 to 30 Jun 2020**
	No. of shares '000	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.

13. Property and equipment

	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
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

13. Property and equipment (cont'd)

	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
Group										
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

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.

14. Intangible assets

	Goodwill	Computer software	Brand name	Customer relationship	Hospital management	Total
	$'000	$'000	$'000	$'000	$'000	$'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	2020
	$'000	$'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

14. Intangible assets (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.

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.

15. Investment properties (cont'd)

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)).

16. Right-of-use assets

	Group Office and clinic premises	Company Office premise
	$'000	$'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

16. Right-of-use assets (cont'd)

Amounts recognised in profit or loss:

	Group 2021	Group 2020	Company 2021	Company 2020
	$'000	$'000	$'000	$'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.

17. Investments in subsidiaries

	Company 2021	Company 2020
	$'000	$'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	Proportion (%) of ownership interest 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	–

17. Investments 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
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
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

17. Investment in subsidiaries (cont'd)

(b) *Interest in subsidiary with material non-controlling interest (NCI)*

The following subsidiary has NCI that is material to the Group.

	TMC Life Sciences Berhad and its subsidiaries	
	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	**2020**
	$'000	$'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

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	**1 Jan 2019 to 30 Jun 2020**
	$'000	$'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	**1 Jan 2019 to 30 Jun 2020**
	$'000	$'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	Group 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

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	Group 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	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'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.

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.

21. Trade and other receivables (cont'd)

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
Movement in allowance accounts:		
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.

22. Cash and short-term deposits

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'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	2020
	$'000	$'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 2021	Group 2020	Company 2021	Company 2020
	$'000	$'000	$'000	$'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

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 2021	Group 2020	Company 2021	Company 2020
	$'000	$'000	$'000	$'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

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

Secured bank loans

Bank loan of the Company is denominated in SGD and bears interest at floating interest rate ranging from 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.

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

			Non-cash changes		
	1 Jul 2020	**Cash flows**	**Amortisation of financing fees**	**Foreign exchange movement**	**30 Jun 2021**
	$'000	$'000	$'000	$'000	$'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

			Non-cash changes		
	1 Jan 2019	**Cash flows**	**Amortisation of financing fees**	**Foreign exchange movement**	**30 Jun 2020**
	$'000	$'000	$'000	$'000	$'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 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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).

26. Deferred income tax

	Group Consolidated statement of financial position 2021 $'000	Group Consolidated statement of financial position 2020 $'000	Group Consolidated statement of profit or loss 1 Jul 2020 to 30 Jun 2021 $'000	Group Consolidated statement of profit or loss 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.

26. Deferred income tax (cont'd)

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	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'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.

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

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

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	**2020**
	$'000	$'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.

31. Fair value of assets and liabilities (cont'd)

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

	Level 3	Fair value Total	Carrying amount
	$'000	$'000	$'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

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.

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.

32. Financial risk management objectives and policies (cont'd)

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

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision also incorporates forward looking information such as the projected industry default rates over the next year.

Information regarding loss allowance movement and credit risk exposure on trade receivables are disclosed in Note 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.

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.

32. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents and standby banking facilities deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	$'000	$'000	$'000
Group				
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
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

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	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
Company				
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	2020	2021	2020
	$'000	$'000	$'000	$'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.

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.

34. Segment information (cont'd)

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

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

	Hospital services $'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

34. Segment information (cont'd)

	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.

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

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THOMSON MEDICAL GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The information in this Appendix III has been reproduced from the auditor's report on the consolidated financial statements of Thomson Medical Group Limited and its subsidiaries for FY2022 and has not been specifically prepared for inclusion in this Information Memorandum.

Company Registration No. 199908381D

Thomson Medical Group Limited and its Subsidiaries

Annual Financial Statements
30 June 2022

Building a better
working world

Index **Page**

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 2022.

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 2022 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	
Lim Wee Kiat	
Wan Nadiah Binti Wan Mohd Abdullah Yaakob	(appointed on 1 January 2022)
Ong Pang Liang	
Dr Lam Lee G	
Christina Teo Tze Wei	(appointed on 1 January 2022)
June Leong Lai Ling	(appointed on 1 January 2022)

In accordance with Article 105(2) of the Constitution of the Company, Mr. Ng Ser Miang and Mr. Ong Pang Liang have retired and, being eligible, have offered themselves for re-election. In accordance with Article 106 of the Constitution of the Company, Ms June Leong Lai Ling, Ms Christina Teo Tze Wei and Ms Wan Nadiah Binti Wan Mohd Abdullah Yaakob, newly appointed Directors, who will be retiring and, being eligible, have offered themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Direct interest held in the name of the director or nominee		Deemed interest	
Name of director	**As at 1 July 2021 or date of appointment**	**As at 30 June 2022**	**As at 1 July 2021 or date of appointment**	**As at 30 June 2022**
The Company **Thomson Medical Group Limited** *Ordinary shares*				
Ng Ser Miang	9,000,000	9,000,000	6,600,000	6,600,000
Ong Pang Liang	15,000,000	15,000,000	–	–
Subsidiary of the Company **TMC Life Sciences Berhad** *Employees' share option scheme*[1]				
Dr Lam Lee G	2,000,000	2,000,000	–	–
Wan Nadiah Binti Wan Mohd Abdullah Yaakob	4,000,000	4,000,000	–	–

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

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2022.

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

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.

The Scheme had expired on 25 June 2022.

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 2022 are as follows:

Expiry date	Exercise Price (MYR)	Number of options
28 May 2025	0.75	17,931,000
28 May 2025	0.94	5,450,000
		23,381,000

Share options (cont'd)

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

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.

Warrants

The Company issued and allotted a total of 369,266,062 Piggyback Warrants to the Warrantholders in relation to the Bonus Warrants exercised pursuant to the Circular dated 28 February 2018. The Piggyback Warrants entitles the Warrantholders to subscribe for one (1) ordinary share in the share capital of the Company at an adjusted exercise price of $0.11 in cash. Of the 369,266,062 Piggyback Warrants issued, a total of 50,000 Piggyback Warrants were exercised and 50,000 new ordinary shares were issued. The Piggyback Warrants had expired 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 1967 (the Act), the SGX-ST Listing Manual and the Code of Corporate Governance.

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

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

Auditor

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

On behalf of the board of directors:

Dr Wong Chiang Yin
Director

Wilson Sam
Director

Singapore
26 August 2022

Independent auditor's report to the members of Thomson Medical Group Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Thomson Medical Group Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the statements of financial position of the Group and Company as at 30 June 2022, the statements of changes in equity of the Group and Company, and the consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and Company as at 30 June 2022 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.

Key audit matters (cont'd)

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

As at 30 June 2022, the carrying value of the Group's goodwill arising from the acquisition of BB Waterfront Sdn Bhd (BBWF) amounted to $60,983,000. The carrying value of BBWF's property and equipment, which comprise mainly freehold land located in Johor Bahru, Malaysia, amounted to $86,353,000. The aggregate value of goodwill and property and equipment attributable to BBWF represents 10.8% of the Group's total assets.

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

In assessing the recoverable amount of BBWF, management has prepared value-in-use (VIU) calculations. The VIU calculations are prepared using cash flow projections from financial budgets approved by management covering a thirteen-year period which comprises a three-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 and discount rates assumptions.

Given that management is required to exercise significant judgement and estimation 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 revenue growth rates by comparing these assumptions against historical trends of the Group's existing healthcare operations in Malaysia and terminal growth rate with the assistance of our internal valuation specialists. In view that the VIU calculations cover a thirteen-year period, with a three-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 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 to the VIU calculations as reviewed by our internal valuation specialists.

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

Independent auditor's report to the members of Thomson Medical Group Limited

Key audit matters (cont'd)

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

As at 30 June 2022, the Group's investment properties and development property located in Johor Bahru, Malaysia, amounted to $98,928,000 and $93,225,000 respectively, which in aggregate represented 14.1% 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 2022, the Group recorded an aggregate accumulated impairment loss of $58,605,000 and $54,875,000 on the investment properties and development property respectively.

As at 30 June 2022, management has assessed that there are indicators of impairment for these assets. 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.

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 14 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, 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.

Other information (cont'd)

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- 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.

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.

Independent auditor's report to the members of Thomson Medical Group Limited

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

26 August 2022

Thomson Medical Group Limited and its Subsidiaries

Consolidated statement of profit or loss
For the financial year ended 30 June 2022

(Amounts in Singapore dollars)

	Note	2022	2021
		$'000	$'000
Revenue	4	333,706	240,398
Other income	5	9,816	11,939
Inventories and consumables used		(55,321)	(49,502)
Staff costs	8	(107,920)	(74,880)
Depreciation and amortisation expenses		(17,930)	(17,954)
Other operating expenses		(70,544)	(61,189)
Profit from operating activities		91,807	48,812
Finance income		988	980
Finance costs	6	(23,497)	(23,610)
Net finance costs		(22,509)	(22,630)
Profit before taxation	7	69,298	26,182
Income tax expense	10	(10,713)	(9,272)
Profit for the year		58,585	16,910

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

Thomson Medical Group Limited and its Subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 30 June 2022

(Amounts in Singapore dollars)

	Note	2022 $'000	2021 $'000
Profit for the year		58,585	16,910
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		(12,292)	(2,990)
Item that will not be reclassified subsequently to profit or loss			
Net change in fair value of financial assets at fair value through other comprehensive income		975	–
Other comprehensive income for the year, net of tax		(11,317)	(2,990)
Total comprehensive income for the year		47,268	13,920
Profit for the year attributable to:			
Owners of the Company		53,762	14,237
Non-controlling interests		4,823	2,673
		58,585	16,910
Total comprehensive income attributable to:			
Owners of the Company		45,315	11,944
Non-controlling interests		1,953	1,976
		47,268	13,920
Earnings per share (cents per share)			
Basic and diluted	11	0.203	0.054

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

Thomson Medical Group Limited and its Subsidiaries

Statements of financial position
As at 30 June 2022

(Amounts in Singapore dollars)

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
ASSETS					
Non-current assets					
Property and equipment	12	444,027	435,192	310	98
Intangible assets	13	484,061	486,749	–	–
Investment properties	14	99,629	102,115	–	–
Right-of-use assets	15	13,425	11,254	541	799
Investment in subsidiaries	16	–	–	2,209,127	2,214,498
Investment in joint venture	17	–*	–	–	–
Deferred tax assets	26	919	–	–	–
Other investment	18	2,335	–	–	–
		1,044,396	1,035,310	2,209,978	2,215,395
Current assets					
Development property	19	93,225	95,498	–	–
Inventories	20	5,584	5,399	–	–
Trade and other receivables	21	60,147	26,893	615,695	614,242
Cash and short-term deposits	22	161,591	122,678	84,256	57,723
		320,547	250,468	699,951	671,965
Total assets		1,364,943	1,285,778	2,909,929	2,887,360
Current liabilities					
Contract liabilities	4	3,802	3,663	–	–
Trade and other payables	23	86,541	65,601	8,738	8,456
Income tax payable		15,170	7,945	–	–
Interest-bearing loans and borrowings	24	227,679	321	225,000	–
Lease liabilities	25	5,309	5,796	246	234
		338,501	83,326	233,984	8,690
Net current (liabilities)/assets		(17,954)	167,142	465,967	663,275

**Amount less than $1,000*

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

Thomson Medical Group Limited and its Subsidiaries

Statements of financial position
As at 30 June 2022

(Amounts in Singapore dollars)

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current liabilities					
Deferred tax liabilities	26	7,353	10,618	–	–
Interest-bearing loans and borrowings	24	401,421	619,084	325,754	562,765
Lease liabilities	25	8,447	5,874	284	530
Provisions	27	879	842	35	35
		418,100	636,418	326,073	563,330
Total liabilities		756,601	719,744	560,057	572,020
Net assets		608,342	566,034	2,349,872	2,315,340
Equity attributable to owners of the Company					
Share capital	28	2,364,503	2,364,497	2,364,503	2,364,497
Retained earnings/ (accumulated losses)		148,546	98,264	(14,631)	(49,157)
Other reserves	29	(1,981,368)	(1,972,921)	–	–
		531,681	489,840	2,349,872	2,315,340
Non-controlling interests		76,661	76,194	–	–
Total equity		608,342	566,034	2,349,872	2,315,340
Total equity and liabilities		1,364,943	1,285,778	2,909,929	2,887,360

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 2022

(Amounts in Singapore dollars)

		Attributable to owners of the Company							
	Equity, total	Equity attributable to owners of the Company	Share capital (Note 28)	Merger reserve (Note 29)	Foreign currency translation reserve (Note 29)	Capital reserve (Note 29)	Fair value reserve (Note 29)	Retained earnings	Non-controlling interests
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Opening balance at 1 July 2021	**566,034**	**489,840**	**2,364,497**	**(1,842,369)**	**(83,424)**	**(47,128)**	–	**98,264**	**76,194**
Profit for the year	58,585	53,762	–	–	–	–	–	53,762	4,823
Other comprehensive income									
Foreign currency translation	(12,292)	(9,422)	–	–	(9,422)	–	–	–	(2,870)
Net change in fair value of financial assets at fair value through other comprehensive income	975	975	–	–	–	–	975	–	–
Other comprehensive income for the year, net of tax	(11,317)	(8,447)	–	–	(9,422)	–	975	–	(2,870)
Total comprehensive income for the year	47,268	45,315	–	–	(9,422)	–	975	53,762	1,953
Contributions by and distributions to owners									
Shares issued on conversion of warrants	6	6	6	–	–	–	–	–	–
Grant of equity-settled share options to employees	74	–	–	–	–	–	–	–	74
Dividends on ordinary shares (Note 35)	(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	(4,960)	(3,960)	6	–	–	–	–	(3,966)	(1,000)
Others									
Lapses of employees' share options	–	486	–	–	–	–	–	486	(486)
Total others	–	486	–	–	–	–	–	486	(486)
Closing balance at 30 June 2022	**608,342**	**531,681**	**2,364,503**	**(1,842,369)**	**(92,846)**	**(47,128)**	**975**	**148,546**	**76,661**

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

Statements of changes in equity
For the financial year ended 30 June 2022

(Amounts in Singapore dollars)

		Attributable to owners of the Company						
Group	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	Retained earnings $'000	Non-controlling interests $'000
Opening balance at 1 July 2020	**552,860**	**477,896**	**2,364,497**	**(1,842,369)**	**(81,131)**	**(47,128)**	**84,027**	**74,964**
Profit for the year	16,910	14,237	–	–	–	–	14,237	2,673
Other comprehensive income								
Foreign currency translation	(2,990)	(2,293)	–	–	(2,293)	–	–	(697)
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)	–	14,237	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)**	**98,264**	**76,194**

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

Thomson Medical Group Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 30 June 2022

(Amounts in Singapore dollars)

	Equity, total $'000	Share capital (Note 28) $'000	Accumulated losses $'000
Company			
Opening balance at 1 July 2021	2,315,340	2,364,497	(49,157)
Profit for the year, representing total comprehensive income for the year	38,492	–	38,492
Contributions by owners			
Shares issued on conversion of warrants	6	6	–
Dividends on ordinary shares (Note 35)	(3,966)	–	(3,966)
	(3,960)	6	(3,966)
Closing balance at 30 June 2022	2,349,872	2,364,503	(14,631)
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)

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

Thomson Medical Group Limited and its Subsidiaries

Consolidated statement of cash flows
For the financial year ended 30 June 2022

(Amounts in Singapore dollars)

	Note	2022 $'000	2021 $'000
Operating activities			
Profit before taxation		69,298	26,182
Adjustments for:			
Allowance for expected credit losses on trade receivables, net	21	150	409
Amortisation of financing fees on borrowings	24	989	1,408
Depreciation of property and equipment and investment properties	12,14	11,117	10,662
Depreciation of right-of-use assets	15	6,439	6,875
Amortisation of intangible assets	13	374	417
Net (gain)/loss on disposal of property and equipment		(23)	185
Gain on derecognition of leases		(52)	–
Property and equipment written off		23	17
Finance income		(988)	(980)
Finance costs		22,508	22,202
Unrealised exchange loss		60	17
Grant of equity-settled share options to employees		74	65
Impairment of goodwill	13	146	–
Total adjustments		40,817	41,277
Operating cash flows before changes in working capital		110,115	67,459
Changes in working capital:			
(Increase)/decrease in inventories		(267)	730
Increase in trade and other receivables		(32,940)	(4,844)
Increase in trade and other payables and contract liabilities		23,280	3,423
Total changes in working capital		(9,927)	(691)
Cash flows from operations		100,188	66,768
Interest income received		927	1,025
Income taxes paid		(8,313)	(6,540)
Net cash flows generated from operating activities		92,802	61,253

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 2022

(Amounts in Singapore dollars)

	Note	2022 $'000	2021 $'000
Investing activities			
Purchase of property and equipment	A	(27,753)	(37,290)
Purchase of intangible assets		(372)	(340)
Purchase of other investment	18	(1,360)	–
Proceeds from disposal of property and equipment		49	58
Net cash flows used in investing activities		(29,436)	(37,572)
Financing activities			
Proceeds from conversion of warrants	28	6	–
Repayment of interest-bearing loans and borrowings	24	(13,316)	(285,160)
Proceeds from interest-bearing loans and borrowings	24	23,529	254,256
Changes in pledged deposits		(105)	1,881
Dividends paid on ordinary shares	35	(3,966)	–
Dividends paid to non-controlling interests of subsidiaries		(1,074)	(811)
Payment of principal portion of lease liabilities	25	(6,445)	(6,736)
Interest paid		(22,112)	(22,251)
Net cash flows used in financing activities		(23,483)	(58,821)
Net increase/(decrease) in cash and cash equivalents		39,883	(35,140)
Effect of exchange rate changes on cash and cash equivalents		(1,075)	(276)
Cash and cash equivalents at beginning of the year		112,091	147,507
Cash and cash equivalents at end of the year	22	150,899	112,091

A. Purchase of property and equipment

During the current financial year ended 30 June 2022, the Group acquired property and equipment with an aggregate cost of $25,774,000 (2021: $42,153,000) by way of cash payments of $27,753,000 (2021: $37,290,000), increase in provision for restoration costs of $14,000 (2021: $10,000) and changes in other payables of $1,993,000 (2021: $4,853,000).

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

1. Corporate information

1.1 *The Company*

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

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

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

The financial statements of the Company and the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors on 26 August 2022.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

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

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are effective for annual periods beginning on or after 1 July 2021. 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.

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

2.3 *Standards issued but not yet effective*

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

Description	***Effective for annual periods beginning on or after***
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 3 *Business Combinations*: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-ccurrent	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) *Practice Statement 2: Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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.

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.

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

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

(c) *Business combinations involving entities under common control*

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.

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. Summary of significant accounting policies (cont'd)

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.

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

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

2.7 *Property and equipment (cont'd)*

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.

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.

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

2.8 *Intangible assets (cont'd)*

(a) *Goodwill (cont'd)*

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.

(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.

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

2.8 ***Intangible assets (cont'd)***

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

(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

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

2.10 ***Development property***

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

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

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

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

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

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

2.11 *Impairment of non-financial assets*

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

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

Impairment losses are recognised in profit or loss.

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

2.12 *Subsidiaries*

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

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

2.13 *Affiliated company*

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

2.14 *Joint venture*

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

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

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

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

2.14 *Joint venture (cont'd)*

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

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

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

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

2.15 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

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

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

Subsequent measurement

Financial assets at amortised cost (debt instruments)

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

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

2.15 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

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

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

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

Derecognition

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

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

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

2.16 *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.

2.17 *Cash and cash equivalents*

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

2.18 *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. Summary of significant accounting policies (cont'd)

2.19 *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.

2.20 *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.

2.21 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 *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.

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

2.22 *Employee benefits (cont'd)*

(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.

2.23 *Leases*

Group as a lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

Office and clinic premises	2 to 8 years

Right-of-use assets are subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

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

2.23 *Leases (cont'd)*

Group as a lessee (cont'd)

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.

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

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

2.24 *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.

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.

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

2.24 *Revenue (cont'd)*

(e) *Interest income*

Interest income is recognised using the effective interest method.

2.25 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

2.25 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.26 *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.

2.27 *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.

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

2.27 *Contingencies (cont'd)*

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.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of goodwill*

As disclosed in Note 13 to the financial statements, the recoverable amounts of the cash generating units (CGUs) to which the goodwill has been allocated to are determined based on their value-in-use calculations. The value-in-use calculations are based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value-in-use including a sensitivity analysis which are disclosed and further explained in Note 13 to the financial statements.

The carrying amount of goodwill as at 30 June 2022 is $483,372,000 (2021: $486,043,000).

3. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

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

The property and equipment attributable to BBWF comprises mainly freehold land located in Johor Bahru, Malaysia, and is carried at cost less accumulated depreciation and any accumulated impairment loss. The recoverable amount of the CGU to which these assets are attributable to is determined based on BBWF's value-in-use calculation. The value-in-use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value-in-use are disclosed and further explained in Note 13 to the financial statements in conjunction with the impairment of goodwill allocated to BBWF.

As at 30 June 2022, the carrying value of BBWF's property and equipment amounted to $86,353,000 (2021: $88,304,000).

(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 2022 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 2022, the Group's investment properties and development property located within the Iskandar Development Region, Johor Bahru, amounted to $98,928,000 (2021: $101,378,000) and $93,225,000 (2021: $95,498,000) respectively.

4. Revenue

(a) ***Disaggregation of revenue***

	2022	2021
	$'000	$'000
Major product or service lines		
Rendering of services, including sale of goods	330,225	237,316
Rental income	3,481	3,082
	333,706	240,398
Timing of revenue recognition		
At a point in time	325,140	232,799
Over time	8,566	7,599
	333,706	240,398

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		
	30 Jun 2022	**30 Jun 2021**	**1 Jul 2020**
	$'000	$'000	$'000
Trade receivables (Note 21)	37,428	12,504	6,530
Contract liabilities	3,802	3,663	3,595

The Group has recognised allowance for expected credit losses on receivables arising from contracts with customers amounting to $150,000 (2021: $409,000) in the consolidated statement of profit or loss.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for rendering of healthcare related package services.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities during the financial year are as follows:

	Group	
	2022	**2021**
	$'000	$'000
Healthcare services		
Revenue recognised that was included in the contract liability balance at the beginning of the year	3,374	2,932
Revenue recognised during the year	8,903	9,889

5. Other income

	Group 2022	Group 2021
	$'000	$'000
Employment credits	1,677	4,456
Sponsorship income	3,424	3,154
Property tax and rental rebates	3,345	2,878
Administrative and membership income	818	902
Others	552	549
	9,816	11,939

Employment credits include the Special Employment Credit, Wage Credit Scheme, Jobs Growth Incentive and 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. Job Growth Incentive is provided as wage subsidies to the Group for new hires from September 2020 onwards. It was introduced as a response to the COVID-19 pandemic, to support the hiring of locals.

6. Finance costs

	Group 2022	Group 2021
	$'000	$'000
Interest expense:		
- Loans and borrowings	22,071	21,725
- Lease liabilities	437	477
- Amortisation of financing fees on borrowings	989	1,408
	23,497	23,610

7. Profit before taxation

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

	Note	Group 2022 $'000	Group 2021 $'000
Audit fees:			
- Auditor of the Company		321	303
- Other auditors		14	11
Non-audit fees:			
- Auditor of the Company		272	145
- Other auditors		43	5
Allowance for expected credit losses on trade receivables, net	21	150	409
Depreciation of property and equipment	12	11,060	10,608
Depreciation of investment properties	14	57	54
Depreciation of right-of-use assets	15	6,439	6,875
Amortisation of intangible assets	13	374	417
Directors' fees	9	323	299
Impairment loss on goodwill		146	–
Inventories recognised as an expense in profit or loss	20	40,534	36,274
Net (gain)/loss on disposal of property and equipment		(23)	185
Lease expense relating to short-term leases and leases of low-value assets	15	134	79
Professional fees paid to doctors		41,567	39,092

8. Staff costs

	Group 2022 $'000	Group 2021 $'000
Salaries and bonuses	88,411	59,037
Defined contribution plans	9,485	7,557
Share-based compensation expenses	74	65
Other short-term benefits	9,950	8,221
	107,920	74,880

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.

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 2022 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	4,326,000	0.75	9.75 years
25 January 2017	3,450,000	0.94	8.34 years
26 September 2018	2,000,000	0.94	6.67 years
17 November 2020	9,605,000	0.75	4.53 years
	23,381,000		

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

	2022		2021	
	No.	WAEP (MYR)	No.	WAEP (MYR)
Outstanding at beginning of the year	24,081,000	0.79	18,116,000	0.81
- Granted	–	–	10,000,000	0.75
- Forfeited	–	–	(4,035,000)	0.75
- Lapsed	(700,000)	0.76	–	–
Outstanding at end of the year	23,381,000	0.79	24,081,000	0.79
Exercisable at end of the year	23,381,000	0.79	24,081,000	0.79

- There were no options granted during the financial year. The weighted average fair value of options granted during the financial year ended 30 June 2021 was MYR0.07.
- There were no options exercised during the financial year.
- The weighted average remaining contractual life for options outstanding at the end of the year is 2.9 (2021: 3.9) years.

8. Staff costs (cont'd)

Fair values of share options granted

The fair values of the share options as at the date of grant are estimated at the respective grant dates using the Black Scholes Model, taking into account the terms and conditions upon which the share options were granted. The range of inputs to the models used to fair value the share options are shown below:

	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)	0.54	0.74	0.94	0.94	0.51	0.63

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

Compensation of directors and key management personnel

	Group 2022 $'000	Group 2021 $'000
Directors' fees	323	299
Salaries and short-term employee benefits	3,994	3,234
Share-based payments	17	14
	4,334	3,547
Comprise amounts paid to:		
Directors of the Company	2,762	1,601
Other key management personnel	1,572	1,946
	4,334	3,547

10. Income tax expense

(a) *Major components of income tax expense*

The major components of income tax expense for the financial year ended 30 June 2022 and 2021 are:

	Note	Group 2022	Group 2021
		$'000	$'000
Consolidated statement of profit or loss:			
Current income tax			
- current income taxation		14,861	8,850
- (over)/under provision in respect of previous years		(95)	54
		14,766	8,904
Deferred income tax			
- origination and reversal of temporary differences		(4,233)	358
- under provision in respect of previous years		180	10
	26	(4,053)	368
Income tax expense recognised in profit or loss		10,713	9,272

(b) *Relationship between tax expense and profit before taxation*

A reconciliation between tax expense and the product of profit before taxation multiplied by the applicable corporate tax rate for the financial year ended 30 June 2022 and 2021 is as follows:

	Group 2022	Group 2021
	$'000	$'000
Profit before taxation	69,298	26,182
Tax at the domestic rates applicable to profits in the countries where the Group operates	12,460	5,034
Adjustments:		
Non-deductible expenses	5,465	5,151
Income not subject to taxation	(542)	(690)
Deferred tax assets not recognised	156	163
Effect of partial tax exemption and tax relief	(169)	(193)
Under provision in respect of previous years	85	64
Benefits from previously unrecognised tax losses and capital allowance	(523)	(62)
Deferred tax assets recognised on investment tax allowances	(5,871)	–
Others	(348)	(195)
	10,713	9,272

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

11. Earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share from continuing operations are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year 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 and share data used in the computation of basic and diluted earnings per share for the year ended 30 June 2022 and 2021:

	Group	
	2022	**2021**
	$'000	$'000
Profit for the year attributable to owners of the Company	53,762	14,237

	Group	
	2022	**2021**
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	26,441,067	26,441,017

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 were anti-dilutive during the financial year ended 30 June 2021. The piggyback warrants had expired on 24 April 2022.

12. Property and equipment

	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
Group										
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 14)	–	–	(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 14)	–	–	(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

12. Property and equipment (cont'd)

	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
Group										
Cost										
At 1 July 2021	212,548	22,026	64,685	26,315	5,432	63,885	4,803	676	122,521	522,891
Additions	–	–	916	904	587	6,676	734	283	15,674	25,774
Disposals/write off	–	–	–	(838)	(30)	(725)	(3)	(136)	–	(1,732)
Reclassifications from construction-in-progress	–	–	92,540	197	211	7,735	795	–	(101,478)	–
Exchange differences	(1,386)	(524)	(2,138)	(200)	(45)	(919)	(139)	(3)	(1,457)	(6,811)
At 30 June 2022	211,162	21,502	156,003	26,378	6,155	76,652	6,190	820	35,260	540,122
Accumulated depreciation										
At 1 July 2021	–	2,096	17,176	14,509	4,480	44,832	4,095	511	–	87,699
Charge for the year	–	231	2,782	2,962	345	4,461	215	64	–	11,060
Disposals/write off	–	–	–	(830)	(19)	(718)	(2)	(114)	–	(1,683)
Exchange differences	–	(53)	(190)	(115)	(30)	(490)	(100)	(3)	–	(981)
At 30 June 2022	–	2,274	19,768	16,526	4,776	48,085	4,208	458	–	96,095
Net carrying amount										
At 30 June 2022	211,162	19,228	136,235	9,852	1,379	28,567	1,982	362	35,260	444,027

12. Property and equipment (cont'd)

	Furniture and fittings $'000	Office equipment and computers $'000	Renovation $'000	Motor vehicle $'000	Total $'000
Company					
Cost					
At 1 July 2020	135	51	195	136	517
Disposals/write off	–	(3)	–	–	(3)
At 30 June 2021 and 1 July 2021	135	48	195	136	514
Additions	–	4	–	283	287
Disposals/write off	–	–	–	(136)	(136)
At 30 June 2022	135	52	195	283	665
Accumulated depreciation					
At 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 and 1 July 2021	75	44	195	102	416
Charge for the year	27	4	–	22	53
Disposals/write off	–	–	–	(114)	(114)
At 30 June 2022	102	48	195	10	355
Net carrying amount					
At 30 June 2021	60	4	–	34	98
At 30 June 2022	33	4	–	273	310

As at the end of the financial year, leasehold land, building and improvements and construction-in-progress with a total carrying amount of $99,904,000 (2021: $98,260,000) has been pledged as security for interest-bearing loans and borrowings as disclosed in Note 24.

During the financial year, interest expense of $1,175,000 (2021: $1,192,000) was capitalised as construction-in-progress. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.27% (2021: 3.34%), which is the effective interest rate of the specific borrowing.

13. Intangible assets

	Goodwill	Computer software	Brand name	Customer relationship	Hospital management	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Cost						
At 1 July 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
Additions	–	372	–	–	–	372
Exchange differences	(2,525)	(51)	–	–	–	(2,576)
At 30 June 2022	483,518	2,714	200	2,812	698	489,942
Accumulated amortisation and impairment						
At 1 July 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
Amortisation		351	23	–	–	374
Impairment	146	–	–	–	–	146
Exchange differences	–	(36)	–	–	–	(36)
At 30 June 2022	146	2,025	200	2,812	698	5,881
Net carrying amount						
At 30 June 2021	486,043	683	23	–	–	486,749
At 30 June 2022	483,372	689	–	–	–	484,061

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:

	2022	2021
	$'000	$'000
Thomson Medical Pte Ltd (TMPL)	379,788	379,788
Clinic	–	146
TMC Life Sciences Berhad (TMCLS)	42,601	43,639
BB Waterfront Sdn Bhd (BBWF)	60,983	62,470
	483,372	486,043

13. Intangible assets (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 (%)	
	2022	**2021**	**2022**	**2021**
TMPL	3.0	3.0	7.0	5.9
TMCLS	4.0	4.0	9.0	7.0
BBWF	3.0	3.0	9.7	6.6

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.

14. Investment properties

Group	Freehold land $'000	Building $'000	Total $'000
Cost			
At 1 July 2020	161,612	814	162,426
Reclassification from property and equipment (Note 12)	–	971	971
Exchange differences	(941)	(12)	(953)
At 30 June 2021 and 1 July 2021	160,671	1,773	162,444
Exchange differences	(3,823)	(42)	(3,865)
At 30 June 2022	156,848	1,731	158,579
Accumulated depreciation and impairment			
At 1 July 2020	60,385	29	60,414
Charge for the year	–	54	54
Reclassification from property and equipment (Note 12)	–	214	214
Exchange differences	(351)	(2)	(353)
At 30 June 2021 and 1 July 2021	60,034	295	60,329
Charge for the year	–	57	57
Exchange differences	(1,429)	(7)	(1,436)
At 30 June 2022	58,605	345	58,950
Net carrying amount			
At 30 June 2021	100,637	1,478	102,115
At 30 June 2022	98,243	1,386	99,629

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 $98,243,000 at 30 June 2022 (2021: $100,637,000) to secure an undrawn loan facility.

As at the end of the financial year, an investment property with a carrying amount of $701,000 (2021: $737,000) has been pledged as security for interest-bearing loan and borrowings as disclosed in Note 24.

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)).

15. Right-of-use assets

	Group Office and clinic premises $'000	Company Office premise $'000
Cost		
At 1 July 2020	22,569	633
Additions	5,247	779
Derecognition	(2,336)	–
Exchange differences	(18)	–
At 30 June 2021 and 1 July 2021	25,462	1,412
Additions	3,747	–
Derecognition	(8,776)	(633)
Lease modifications	5,296	–
Exchange differences	(61)	–
At 30 June 2022	25,668	779
Accumulated depreciation		
At 1 July 2020	9,568	367
Charge for the year	6,875	246
Derecognition	(2,227)	–
Exchange differences	(8)	–
At 30 June 2021 and 1 July 2021	14,208	613
Charge for the year	6,439	258
Derecognition	(8,374)	(633)
Exchange differences	(30)	–
At 30 June 2022	12,243	238
Carrying amount		
At 30 June 2021	11,254	799
At 30 June 2022	13,425	541

15. Right-of-use assets (cont'd)

Amounts recognised in profit or loss:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Depreciation of right-of-use assets	6,439	6,875	258	246
Interest expense on lease liabilities (Note 6)	437	477	23	5
Gain on derecognition of leases	(52)	–	–	–
Lease expense relating to short-term leases and leases of low-value assets	134	79	–	–

The Group had total cash outflows for leases of $7,016,000 (2021: $7,292,000) for the financial year ended 30 June 2022. Modifications relate to change in lease terms for certain leases.

16. Investments in subsidiaries

	Company	
	2022	**2021**
	$'000	$'000
Shares, at cost	2,410,778	2,410,778
Less: Accumulated impairment losses	(201,651)	(196,280)
	2,209,127	2,214,498

(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 2022	2021
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	100

16. Investments in subsidiaries (cont'd)

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

Name of Company	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2022	2021
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	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
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

16. Investment in subsidiaries (cont'd)

(b) *Interest in subsidiary with material non-controlling interest (NCI)*

The following subsidiary has NCI that is material to the Group.

	TMC Life Sciences Berhad and its subsidiaries	
	2022	**2021**
Proportion of ownership interest held by NCI (%)	29.87	29.87
Profit allocated to NCI during the reporting period ($'000)	3,984	1,925
Accumulated NCI at the end of reporting period ($'000)	76,177	76,055
Dividends paid to NCI ($'000)	373	282

(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	
	2022	**2021**
	$'000	$'000
Current		
Assets	64,616	60,085
Liabilities	(28,453)	(24,357)
Net current assets	36,163	35,728
Non-current		
Assets	293,341	283,006
Liabilities	(68,042)	(63,214)
Net non-current assets	225,299	219,792
Net assets	261,462	255,520

16. Investment in subsidiaries (cont'd)

(c) ***Summarised financial information about subsidiary with material NCI (cont'd)***

Summarised consolidated statement of comprehensive income

	TMC Life Sciences Berhad and its subsidiaries	
	2022	**2021**
	$'000	$'000
Revenue	78,813	65,761
Profit before taxation	10,432	9,021
Income tax credit/(expense)	2,959	(2,418)
Profit after tax, representing total comprehensive income	13,391	6,603

Other summarised information

	TMC Life Sciences Berhad and its subsidiaries	
	2022	**2021**
	$'000	$'000
Net cash flows from operating activities	11,528	7,318

17. Investment in joint venture

	Group	
	2022	**2021**
	$'000	$'000
Equity shares, at cost	–*	–
Share of results of joint venture	–*	–
	–*	–

**Amount less than $1,000*

17. Investment in joint venture (cont'd)

The Group's cost of investment in joint venture amounted to $1. As at 30 June 2022, the joint venture was in a pre-operating stage and has not commenced commercial operations. The details of the joint venture company are as below:

Name of entity	Country of incorporation	Principal activities (Principal place of business)	Proportion of ownership interest	
			2022	2021
			%	%
Held through Thomson X Pte. Ltd.				
Hatch Health Pte. Ltd.	Singapore	Development of software and application	50	–

18. Other investment

	Group	
	2022	2021
	$'000	$'000
Equity instrument designated at fair value through OCI		
Non-listed equity investment		
Whitecoat Global Holdings Pte. Ltd.	2,335	–

The Group holds 3.00% equity interest in this company. The Group has elected to measure this investment at FVOCI due to the Group's intention to hold the equity instrument for long-term appreciation. As at 30 June 2022, a fair value gain of $975,000 has been recognised in other comprehensive income (Note 31(c)).

19. Development property

	Group	
	2022	2021
	$'000	$'000
Cost		
At beginning of the year	151,710	152,600
Exchange differences	(3,610)	(890)
At end of the year	148,100	151,710
Accumulated impairment losses		
At beginning of the year	56,212	56,542
Exchange differences	(1,337)	(330)
At end of the year	54,875	56,212
Carrying amount	93,225	95,498

19. Development property (cont'd)

The development property held by the Group at the end of the financial year is as follows:

Description and location	Existing use	Tenure	Gross floor area	Interest %
Land under development in Malaysia's Iskandar Development Region	Residential	Freehold	494,426 sqm	100

20. Inventories

	Group 2022	Group 2021
	$'000	$'000
Drugs and pharmaceutical products	5,584	5,399

Inventories amounting to $40,534,000 (2021: $36,274,000) were recognised as an expense in profit or loss during the financial year.

21. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade receivables	37,428	12,504	–	–
Other receivables	15,172	7,867	120	56
Deposits	2,744	2,417	78	78
Prepaid operating expenses	1,215	1,207	12	11
Amounts due from subsidiaries (non-trade)	–	–	615,485	614,097
Tax recoverable	3,588	2,898	–	–
Total trade and other receivables	60,147	26,893	615,695	614,242
Less: Prepaid operating expenses	(1,215)	(1,207)	(12)	(11)
Less: Tax recoverable	(3,588)	(2,898)	–	–
Add: Cash and short-term deposits (Note 22)	161,591	122,678	84,256	57,723
Total financial assets carried at amortised cost	216,935	145,466	699,939	671,954

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.

21. Trade and other receivables (cont'd)

Other receivables

Other receivables include patient billings made on behalf of doctors amounting to $13,951,000 (2021: $7,295,000). Other receivables are unsecured and non-interest bearing.

Related party balances

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

There are no trade and other receivables denominated in foreign currencies as at 30 June 2022 and 2021.

Expected credit losses (ECL)

As at 30 June 2022, the Group has gross trade receivables amounting to $38,586,000 (2021: $13,594,000). The aging analysis and ECLs for trade receivables are as follows:

	Group			
	2022		2021	
	Gross carrying amount	Loss allowance provision	Gross carrying amount	Loss allowance provision
	$'000	$'000	$'000	$'000
Current	28,725	42	8,998	104
Less than 30 days	4,991	30	1,988	51
30 days to 60 days	2,121	36	1,038	42
61 days to 90 days	840	24	346	14
More than 90 days	1,909	1,026	1,224	879
Total	38,586	1,158	13,594	1,090

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

	Group	
	2022	2021
	$'000	$'000
Movement in allowance accounts:		
At beginning of the year	1,090	853
Charge for the year	193	433
Written back	(43)	(24)
Written off	(71)	(169)
Exchange differences	(11)	(3)
At end of the year	1,158	1,090

The Group wrote-off $71,000 (2021: $169,000) of trade receivables during the year as the Group does not expect to receive future cash flows.

22. Cash and short-term deposits

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash at banks and on hand	60,643	70,688	8,006	25,298
Short-term deposits	100,948	51,990	76,250	32,425
Cash and short-term deposits	161,591	122,678	84,256	57,723

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 2022 for the Group and the Company are 0.97% and 0.46% (2021: 1.89% and 0.92%) per annum respectively.

Pledged deposits of $10,692,000 (2021: $10,587,000) 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 2022 and 30 June 2021.

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	
	2022	2021
	$'000	$'000
Cash and short-term deposits	161,591	122,678
Less: Pledged deposits	(10,692)	(10,587)
Cash and cash equivalents	150,899	112,091

23. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade payables	13,331	9,555	–	–
Other payables	26,129	25,012	96	3
Accrued operating expenses	42,512	27,892	8,642	8,138
GST payable	3,605	2,323	–	315
Deposits received	964	819	–	–
Total trade and other payables	86,541	65,601	8,738	8,456
Add: Interest-bearing loans and borrowings (Note 24)	629,100	619,405	550,754	562,765
Less: GST payable	(3,605)	(2,323)	–	(315)
Total financial liabilities carried at amortised cost	712,036	682,683	559,492	570,906

Trade and other payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days' terms.

Included in other payables are payables to doctors relating to patient billings made on behalf of doctors amounting to $18,922,000 (2021: $11,445,000). These payables are only settled when collections have been received.

24. Interest-bearing loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current:				
Secured bank loans	2,679	321		–
Medium-term notes	225,000	–	225,000	
	227,679	321	225,000	
Non-current:				
Secured bank loans	226,801	220,186	151,134	163,867
Medium-term notes	174,620	398,898	174,620	398,898
	401,421	619,084	325,754	562,765
Total interest-bearing loans and borrowings	629,100	619,405	550,754	562,765

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

Secured bank loans

Bank loan of the Company is denominated in SGD and bears interest at floating interest rate ranging from 1.91% to 2.48% (2021: 1.90% to 2.10%) 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 $78,346,000 (2021: $56,640,000), are secured by a charge over certain shares and assets of the subsidiaries (Note 12 and Note 14) and cross guarantees provided by the Company and subsidiaries of the Company. The effective interest rates of the loans range from 1.91% to 3.26% (2021: 1.90% to 3.34%) per annum. These loans are denominated in Malaysian Ringgit, except for bank loan amounting to $13,000,000 (2021: $2,000,000) 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 and this has been fully redeemed on 18 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.

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

			Non-cash changes		
	1 Jul 2021	Cash flows	Amortisation of financing fees	Foreign exchange movement	30 Jun 2022
	$'000	$'000	$'000	$'000	$'000
Secured bank loans	220,507	10,213	267	(1,507)	229,480
Medium-term notes	398,898	–	722	–	399,620
Total	619,405	10,213	989	(1,507)	629,100

			Non-cash changes		
	1 Jul 2020	Cash flows	Amortisation of financing fees	Foreign exchange movement	30 Jun 2021
	$'000	$'000	$'000	$'000	$'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

25. Lease liabilities

	Group 2022	Group 2021	Company 2022	Company 2021
	$'000	$'000	$'000	$'000
At beginning of the year	11,670	13,394	764	273
Additions	3,722	5,169	–	743
Accretion of interest	437	477	23	5
Derecognition	(454)	(143)	–	–
Lease modifications	5,296	–	–	–
Payments	(6,882)	(7,213)	(257)	(257)
Exchange differences	(33)	(14)	–	–
At end of the year	13,756	11,670	530	764
Current	5,309	5,796	246	234
Non-current	8,447	5,874	284	530
	13,756	11,670	530	764

The maturity analysis of lease liabilities is disclosed in Note 32(b). Modifications relate to change in lease terms for certain leases.

26. Deferred income tax

	Group Consolidated statement of financial position 2022	Group Consolidated statement of financial position 2021	Group Consolidated statement of profit or loss 2022	Group Consolidated statement of profit or loss 2021
	$'000	$'000	$'000	$'000
Deferred tax (liabilities)/assets:				
Differences in depreciation for tax purposes	(7,098)	(5,192)	1,990	345
Fair value adjustments on acquisition of subsidiaries	(6,022)	(6,150)	–	–
Provisions	915	724	(172)	23
Investment tax allowances	5,771	–	(5,871)	–
	(6,434)	(10,618)		
Deferred tax (credit)/expense			(4,053)	368
Reflected in the statement of financial position as follows:				
Deferred tax assets	919	–		
Deferred tax liabilities	(7,353)	(10,618)		
Deferred tax liabilities, net	(6,434)	(10,618)		

26. Deferred income tax (cont'd)

Unrecognised capital allowances and tax losses

At the end of the reporting period, the Group has unutilised capital allowances and unabsorbed tax losses amounting to approximately $715,000 (2021: $738,000) and $6,568,000 (2021: $6,289,000) 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 (2021: 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	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
At beginning of the year	842	632	35	–
Arose during the financial year	39	211	–	35
Exchange differences	(2)	(1)	–	–
At end of the year	879	842	35	35

This relates to restoration costs estimated to dismantle or remove plant and equipment or restore rented operating premises to their original condition arising from the return of the leases of rented operating premises to the landlords pursuant to lease agreements.

28. Share capital

	Group and Company			
	2022		**2021**	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
At beginning of the year	26,441,017	2,364,497	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	26,441,017	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.

Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets until they are disposed of or impaired.

30. Commitments

(a) ***Capital commitments***

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

	Group	
	2022	**2021**
	$'000	$'000
Capital commitment in respect of property and equipment	26,629	38,631

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 $3,481,000 (2021: $3,082,000).

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

	Group	
	2022	**2021**
	$'000	$'000
Within one year	3,165	2,493
After one year but not more than five years	4,559	2,940
More than 5 years	1,788	1,937
	9,512	7,370

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.

31. Fair value of assets and liabilities (cont'd)

(b) ***Assets measured at fair value***

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

		Group			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount
		S$'000	S$'000	S$'000	S$'000
2022					
Financial assets designated fair value through OCI:					
Non-listed equity investment	18	–	–	2,335	2,335

(c) ***Level 3 fair value measurements***

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The equity investment is not traded in an active market. The fair value of the Group's equity investment as at 30 June 2022 is estimated with reference to the recent subscription price of shares issued close to the end of the financial year. As the fair value of the equity investment is determined based on unobservable inputs, the fair value is classified as a Level 3 measurement.

(ii) *Movements in Level 3 assets and liabilities measured at fair value*

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Other investment
	$'000
Group	
Addition	1,360
Changes in fair value	975
Closing balance	2,335

31. Fair value of assets and liabilities (cont'd)

(c) *Level 3 fair value measurements (cont'd)*

(iii) *Valuation policies and procedures*

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

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

	Level 3	Fair value Total	Carrying amount
	$'000	$'000	$'000
2022			
Assets			
Freehold land included in investment properties	98,243	98,243	98,243
2021			
Assets			
Freehold land included in investment properties	100,637	100,637	100,637

The fair value of the freehold land included in investment properties as at the end of the reporting year is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is determined by an independent professional valuer, using the direct comparison method. The direct comparison method involves the analysis and study of recent sales evidence of similar properties in comparable developments in the subject/comparable vicinities.

The following table shows the Group's valuation technique used in measuring the fair value of the freehold land included in investment properties, as well as the significant unobservable inputs used.

31. Fair value of assets and liabilities (cont'd)

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

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 (2021: 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 and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within 180 days when they fall due, which are derived based on the Group's historical information.

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.

32. Financial risk management objectives and policies (cont'd)

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

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 (2021: 10) customers, which constitute approximately 15% (2021: 22%) of the Group's trade receivables at the end of the reporting period.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 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.

32. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
Group				
2022				
Financial liabilities				
Trade and other payables	82,936	–	–	82,936
Interest-bearing loans and borrowings	241,364	406,895	25,093	673,352
Lease liabilities	5,739	8,865	–	14,604
Total undiscounted financial liabilities	330,039	415,760	25,093	770,892
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

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	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
Company				
2022				
Financial liabilities				
Trade and other payables	8,738	–	–	8,738
Interest-bearing loans and borrowings	236,234	347,944	–	584,178
Lease liabilities	262	290	–	552
Total undiscounted financial liabilities	245,234	348,234	–	593,468
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

(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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Variable rate instruments				
Secured bank loans	228,502	219,219	151,134	163,867

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2021: 100) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been $2,285,000 higher/lower (2021: $2,192,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

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 ended 30 June 2022 and 30 June 2021.

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:

	2022	2021
Gross debt to total equity	1.0 x	1.1 x
Net debt to total equity	0.8 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 and project-related services such as managing vaccination centres, COVID-19 Treatment Facilities and Transitional Care Facilities. 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.

34. Segment information (cont'd)

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

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

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
	$'000	$'000	$'000	$'000		$'000
2022						
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	55,829	(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*

34. Segment information (cont'd)

	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)	A	–
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	–	B	47,740
Segment assets	989,601	35,401	257,878	–		1,282,880
Segment liabilities	101,960	26,920	572,301	–		701,181

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

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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore	254,602	174,370	594,623	591,518
Malaysia	79,104	66,028	449,773	443,792
	333,706	240,398	1,044,396	1,035,310

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	
	2022	2021
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2021: 0.015 cents per share	3,966	–
Proposed but not recognised as a liability as at the end of the financial year:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
- Final exempt (one-tier) dividend for 2022: 0.115 cents (2021: 0.015) per share	30,407	3,966

36. Subsequent events

(a) On 11 July 2022, a wholly-owned dormant subsidiary of the Group, VB2 Property Sdn Bhd, has been struck off from the Companies Commission of Malaysia.

(b) The Group obtained a new loan facility in May 2022 and fully drew down S$225 million on 12 July 2022 for the settlement of 3-year $225 million 4.8% medium term notes. The interest on the new loan is charged based on floating interest rate and will mature and be repayable in full in 2027.

(c) On 18 July 2022, the Group has fully redeemed the first tranche of 3-year $225 million 4.8% medium term notes.

(d) On 21 July 2022, the Group has entered into an Interest Rate Swap Transaction with a notional amount of S$25 million to partially hedge the floating interest rate of a secured bank loan into fixed interest rate for two years.

37. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 26 August 2022.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THOMSON MEDICAL GROUP LIMITED AND ITS SUBSIDIARIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The information in this Appendix IV has been reproduced from the announcement on 10 February 2023 of the unaudited financial statements of Thomson Medical Group Limited and its subsidiaries for the six months ended 31 December 2022 and has not been specifically prepared for inclusion in this Information Memorandum.

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

Condensed Interim Financial Statements
For the six months ended 31 December 2022

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

Table of Contents **Page**

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

Condensed Interim Consolidated Statement of Profit or Loss

		6 months ended 31 December		
		2022	**2021**	**Change**
	Note	**$'000**	**$'000**	**%**
Revenue	5	183,999	145,379	26.6
Other income		2,336	4,949	(52.8)
Inventories and consumables used		(29,696)	(26,646)	11.4
Staff costs		(62,581)	(49,383)	26.7
Depreciation and amortisation expenses		(10,249)	(8,559)	19.7
Other operating expenses		(38,581)	(34,847)	10.7
Results from operating activities		**45,228**	**30,893**	**46.4**
Finance income		1,500	476	215.0
Finance costs		(13,763)	(11,473)	20.0
Net finance costs		**(12,263)**	**(10,997)**	**11.5**
Share of loss of a joint venture		(286)	–	N.M.
Profit before taxation	6	**32,679**	**19,896**	**64.2**
Income tax expense	7	(8,401)	(5,945)	41.3
Profit for the period		**24,278**	**13,951**	**74.0**
Profit attributable to:				
Owners of the Company		22,795	12,485	82.6
Non-controlling interest		1,483	1,466	1.2
Profit for the period		**24,278**	**13,951**	**74.0**
EBITDA		**55,477**	**39,452**	**40.6**

NM – Not meaningful

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

Condensed Interim Consolidated Statement of Other Comprehensive Income

	Note	6 months ended 31 December 2022 $'000	2021 $'000	Change %
Profit for the period		**24,278**	**13,951**	**74.0**
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation		(18,029)	160	N.M.
Net change in fair value of cash flow hedges		222	–	N.M.
Item that will not be reclassified to profit or loss				
Net change in fair value of financial assets at fair value through other comprehensive income		(178)	–	N.M.
Other comprehensive income for the period, net of tax		**(17,985)**	**160**	**N.M.**
Total comprehensive income for the period		**6,293**	**14,111**	**(55.4)**
Attributable to:				
Owners of the Company		9,036	12,615	(28.4)
Non-controlling interests		(2,743)	1,496	N.M.
Total comprehensive income for the period		**6,293**	**14,111**	**(55.4)**
Earnings per share for profit for the period attributable to the owners of the Company during the period (cents)				
Basic[1]		0.086	0.047	83.0
Diluted[2]		0.086	0.047	83.0

NM – Not meaningful

[1] The calculation of basic and diluted earnings per share was based on weighted average number of shares in issue of 26,441,066,807 (31 December 2021: 26,441,016,807).

[2] The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares.

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

Condensed Interim Statements of Financial Position

		Group		Company	
	Note	31 December 2022 $'000	30 June 2022 $'000	31 December 2022 $'000	30 June 2022 $'000
ASSETS					
Non-current assets					
Property and equipment	10	431,214	444,027	295	310
Intangible assets	11	484,198	484,061	–	–
Investment properties	12	96,069	99,629	–	–
Right-of-use assets		13,220	13,425	414	541
Investment in subsidiaries		–	–	2,209,127	2,209,127
Investment in a joint venture		399	*	–	–
Deferred tax assets		–	919	–	–
Other investment	13	2,157	2,335	–	–
Derivative financial instruments		222	–	222	–
		1,027,479	1,044,396	2,210,058	2,209,978
Current assets					
Development property	14	89,920	93,225	–	–
Inventories		6,904	5,584	–	–
Trade and other receivables		63,554	60,147	617,005	615,695
Cash and short-term deposits		153,469	161,591	73,699	84,256
		313,847	320,547	690,704	699,951
Total assets		**1,341,326**	**1,364,943**	**2,900,762**	**2,909,929**
Current liabilities					
Contract liabilities		3,228	3,802	–	–
Trade and other payables		92,221	86,541	6,279	8,738
Income tax payable		14,827	15,170	–	–
Interest-bearing loans and borrowings	15	4,868	227,679	–	225,000
Lease liabilities		5,401	5,309	256	246
		120,545	338,501	6,535	233,984
Net current assets/(liabilities)		**193,302**	**(17,954)**	**684,169**	**465,967**
Non-current liabilities					
Deferred tax liabilities		7,654	7,353	–	–
Interest-bearing loans and borrowings	15	621,157	401,421	539,950	325,754
Lease liabilities		8,234	8,447	166	284
Provisions		795	879	35	35
		637,840	418,100	540,151	326,073
Total liabilities		758,385	756,601	546,686	560,057
Net assets		**582,941**	**608,342**	**2,354,076**	**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)		140,934	148,546	(10,649)	(14,631)
Other reserves		(1,995,127)	(1,981,368)	222	–
		510,310	531,681	2,354,076	2,349,872
Non-controlling interests		72,631	76,661	–	–
Total equity		**582,941**	**608,342**	**2,354,076**	**2,349,872**
Total equity and liabilities		**1,341,326**	**1,364,943**	**2,900,762**	**2,909,929**

**Amount less than $1,000*

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

Condensed Interim Statements of Changes in Equity

	Attributable to owners of the Company										
Group	Share capital $'000	Retained earnings $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Total reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'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 period	–	22,795	–	–	–	–	–	–	22,795	1,483	24,278
Other comprehensive income											
Foreign currency translation	–	–	–	(13,803)	–	–	–	(13,803)	(13,803)	(4,226)	(18,029)
Net change in fair value of cash flow hedges	–	–	–	–	–	–	222	222	222	–	222
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	(178)	–	(178)	(178)	–	(178)
Other comprehensive income for the period, net of tax	**–**	**–**	**–**	**(13,803)**	**–**	**(178)**	**222**	**(13,759)**	**(13,759)**	**(4,226)**	**(17,985)**
Total comprehensive income for the period	**–**	**22,795**	**–**	**(13,803)**	**–**	**(178)**	**222**	**(13,759)**	**9,036**	**(2,743)**	**6,293**
Contributions by and distributions to owners											
Grant of equity-settled share options to employees	–	–	–	–	–	–	–	–	–	19	19
Dividends on ordinary shares	–	(30,407)	–	–	–	–	–	–	(30,407)	–	(30,407)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	(1,306)	(1,306)
Total contributions by and distributions to owners	**–**	**(30,407)**	**–**	**–**	**–**	**–**	**–**	**–**	**(30,407)**	**(1,287)**	**(31,694)**
At 31 December 2022	**2,364,503**	**140,934**	**(1,842,369)**	**(106,649)**	**(47,128)**	**797**	**222**	**(1,995,127)**	**510,310**	**72,631**	**582,941**

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

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

	Attributable to owners of the Company								
Group	Share capital $'000	Retained earnings $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Capital 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	–	12,485	–	–	–	–	12,485	1,466	13,951
Other comprehensive income									
Foreign currency translation	–	–	–	130	–	130	130	30	160
Other comprehensive income for the period, net of tax	**–**	**–**	**–**	**130**	**–**	**130**	**130**	**30**	**160**
Total comprehensive income for the period	**–**	**12,485**	**–**	**130**	**–**	**130**	**12,615**	**1,496**	**14,111**
Contributions by and distributions to owners									
Grant of equity-settled share options to employees	–	–	–	–	–	–	–	38	38
Dividends on ordinary shares	–	(3,966)	–	–	–	–	(3,966)	–	(3,966)
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	(1,014)	(1,014)
Total contributions by and distributions to owners	**–**	**(3,966)**	**–**	**–**	**–**	**–**	**(3,966)**	**(976)**	**(4,942)**
Others									
Lapsed employees' share options	–	525	–	–	–	–	525	(525)	–
Total others	**–**	**525**	**–**	**–**	**–**	**–**	**525**	**(525)**	–
At 31 December 2021	**2,364,497**	**107,308**	**(1,842,369)**	**(83,294)**	**(47,128)**	**(1,972,791)**	**499,014**	**76,189**	**575,203**

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

Condensed Interim Statements of Changes in Equity

Company	Share capital $'000	Accumulated losses $'000	Hedging 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	–	34,389	–	34,389
Other comprehensive income				
Net change in fair value of cash flow hedges	–	–	222	222
Contributions by and distributions to owners				
Dividends on ordinary shares	–	(30,407)	–	(30,407)
	–	(30,407)	–	(30,407)
At 31 December 2022	**2,364,503**	**(10,649)**	**222**	**2,354,076**
At 1 July 2021	**2,364,497**	**(49,157)**	–	**2,315,340**
Profit for the period, representing total comprehensive income for the period	–	15,353	–	15,353
Contributions by and distributions to owners				
Dividends on ordinary shares	–	(3,966)	–	(3,966)
	–	(3,966)	–	(3,966)
At 31 December 2021	**2,364,497**	**(37,770)**	–	**2,326,727**

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

Condensed Interim Consolidated Statement of Cash Flows

		6 months ended 31 December 2022 $'000	2021 $'000
Operating activities			
Profit before taxation		32,679	19,896
Adjustments for:			
Allowance for expected credit losses on trade debts, net		129	136
Amortisation of financing fees on bank loan		322	494
Depreciation of property and equipment, investment properties and right-of-use assets		9,831	8,352
Amortisation of intangible assets		418	207
Inventory written off		183	–
Impairment on goodwill		–	146
Loss on disposal of property and equipment		57	–
Property and equipment written off		4	6
Finance income		(1,500)	(476)
Finance costs		13,441	10,979
Share of loss of a joint venture		286	–
Unrealised exchange loss/(gain)		131	(1)
Employee share-based expenses		19	38
Total adjustments		23,321	19,881
Operating cash flows before changes in working capital		**56,000**	**39,777**
Changes in working capital:			
(Increase)/decrease in inventories		(1,627)	27
Increase in trade and other receivables		(3,749)	(7,156)
Increase in trade and other payables and contract liabilities		8,448	1,470
Total changes in working capital		3,072	(5,659)
Cash flows from operations		**59,072**	**34,118**
Interest income received		1,192	491
Income taxes paid		(7,453)	(4,098)
Net cash flows from operating activities		**52,811**	**30,511**
Investing activities			
Purchase of intangible assets		(234)	(51)
Purchase of property and equipment	A	(6,454)	(10,814)
Proceeds from disposal of property and equipment		58	–
Investment in a joint venture		(685)	–
Net cash flows used in investing activities		**(7,315)**	**(10,865)**

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

	6 months ended 31 December	
	2022	**2021**
	$'000	**$'000**
Financing activities		
Repayment of interest-bearing loans and borrowings	(240,149)	(159)
Proceeds from interest-bearing loans and borrowings	239,080	14,414
Changes in pledged deposits	575	(93)
Dividends paid to non-controlling interests of subsidiaries	(1,306)	(1,014)
Dividends paid on ordinary shares	(30,407)	(3,966)
Payment of principal portion of lease liabilities	(3,224)	(3,167)
Interest paid	(15,979)	(11,028)
Net cash flows used in financing activities	**(51,410)**	**(5,013)**
Net (decrease)/increase in cash and cash equivalents	**(5,914)**	**14,633**
Effect of exchange rate changes on cash and cash equivalents	(1,633)	17
Cash and cash equivalents at 1 July	150,899	112,091
Cash and cash equivalents at 31 December	**143,352**	**126,741**

Note:

Cash at banks and on hand	62,046	94,796
Short-term deposits	91,423	42,625
Total cash and short-term deposits	153,469	137,421
Less: Pledge deposits	(10,117)	(10,680)
Cash and cash equivalents at 31 December	**143,352**	**126,741**

A. Purchase of property and equipment

During the period ended 31 December 2022, the Group acquired property and equipment with an aggregate cost of $6,454,000 (31 December 2021: $12,321,000) by way of cash payments of $6,454,000 (31 December 2021: $10,814,000) and increase in other payables of nil (31 December 2021: $1,507,000).

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 financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 last audited financial statements for the year ended 30 June 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 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

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 and a pre-natal, clinical diagnostic laboratory and project related services. It also includes a consumer business segment, comprising products and services.

(c) Investment holdings

Investment holding and those relating to investment and development properties.

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

6 months ended 31 December 2022	Hospital services $'000	Specialised services $'000	Investment holdings $'000	Elimination $'000	Note	Consolidated $'000
Revenue:						
External customers	91,288	92,530	181	–		183,999
Inter-segment revenue	–	1,024	–	(1,024)	A	–
Total revenue	91,288	93,554	181	(1,024)		183,999
Results:						
Finance income	388	45	1,067	–		1,500
Finance costs	(1,765)	(240)	(11,758)	–		(13,763)
Depreciation and amortisation	(6,267)	(3,645)	(337)	–		(10,249)
Share of loss of a joint venture	–	–	(286)	–		(286)
Segment profit/(loss) before taxation	15,622	29,522	(12,465)	–		32,679
Assets:						
Additions to non-current assets	6,654	3,167	15	–	B	9,836
Investment in a joint venture	–	–	685	–		685
Segment assets	1,032,243	40,497	265,035	–		1,337,775
Segment liabilities	(157,108)	(31,786)	(547,010)	–		(735,904)

4.1 Reportable segments (cont'd)

6 months ended 31 December 2021	Hospital services $'000	Specialised services $'000	Investment holdings $'000	Elimination $'000	Note	Consolidated $'000
Revenue:						
External customers	79,638	65,605	136	–		145,379
Inter-segment revenue	–	641	5	(646)	A	–
Total revenue	79,638	66,246	141	(646)		145,379
Results:						
Finance income	297	43	136	–		476
Finance costs	(96)	(188)	(11,189)	–		(11,473)
Depreciation and amortisation	(4,506)	(3,715)	(338)	–		(8,559)
Segment profit/(loss) before taxation	21,605	10,794	(12,503)	–		19,896
Assets:						
Additions to non-current assets	12,393	1,668	–	–	B	14,061
Segment assets	1,007,388	35,815	269,579	–		1,312,782
Segment liabilities	(118,839)	(25,535)	(573,028)	–		(717,402)

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 and right-of-use assets.

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	
	6 months ended 31 December		31 December	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore	138,958	108,905	594,118	589,383
Malaysia	45,041	36,474	433,361	451,431
	183,999	145,379	1,027,479	1,040,814

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

5 Disaggregation of revenue

	Group	
	6 months ended 31 December	
	2022	2021
	$'000	$'000
Major product or service lines		
Rendering of services, including sale of goods	182,126	143,746
Rental income	1,873	1,633
	183,999	145,379
Timing of revenue recognition		
At a point in time	179,969	141,670
Over time	4,030	3,709
	183,999	145,379

6. Profit before taxation

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

	Group	
	6 months ended 31 December	
	2022	2021
	$'000	$'000
Allowance for expected credit losses on trade receivables, net	129	136
Depreciation of property and equipment, investment properties and right-of-use assets	9,831	8,352
Amortisation of intangible assets	418	207
Impairment on goodwill	–	146
Net loss on disposal of property and equipment	57	–
Inventory written off	183	–
Property and equipment written off	4	6

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 condensed interim consolidated statement profit or loss are:

	Group 6 months ended 31 December 2022	 2021
	$'000	$'000
Current income tax		
- current income taxation	7,019	5,672
- under provision in respect of previous years	1	48
	7,020	5,720
Deferred income tax		
- origination and reversal of temporary differences	1,381	228
- over provision in respect of previous years	–	(3)
	1,381	225
Income tax expense	8,401	5,945

8. Related party transactions

There is no significant related party transaction entered into by the Group in the ordinary course of business during the financial period.

9. Net asset value

	Group 31 December 2022	 30 June 2022	Company 31 December 2022	 30 June 2022
Net asset value per ordinary share (cents)	2.20	2.30	8.90	8.89

The calculation of net asset value per ordinary share was based on 26,441,066,807 shares as at 31 December 2022 (30 June 2022: 26,441,066,807).

10. Property and equipment

During the period ended 31 December 2022, the Group acquired assets amounting to $6,454,000 (31 December 2021: $12,321,000) and disposed of assets with a net book value amounting to $115,000 (31 December 2021: $7,000).

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 were disclosed in the audited financial statements for the year ended 30 June 2022. No indications of impairment were identified as at 31 December 2022.

As at 31 December 2022, the carrying value of BBWF's property and equipment amounted to $83,960,000 (30 June 2022: $86,353,000).

11. Intangible assets

Group	Goodwill $'000	Computer software $'000	Brand name $'000	Customer relationship $'000	Hospital management $'000	Total $'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	–	234	–	–	–	234
Disposals	–	(118)	–	–	–	(118)
Reclassifications	–	4,041	–	–	–	4,041
Exchange differences	(3,672)	(106)	–	–	–	(3,778)
At 31 December 2022	**479,846**	**6,765**	**200**	**2,812**	**698**	**490,321**
Accumulated amortisation and impairment						
At 1 July 2022	**146**	**2,025**	**200**	**2,812**	**698**	**5,881**
Amortisation	–	418	–	–	–	418
Disposals	–	(118)	–	–	–	(118)
Exchange differences	–	(58)	–	–	–	(58)
At 31 December 2022	**146**	**2,267**	**200**	**2,812**	**698**	**6,123**
Net carrying amount						
At 31 December 2022	**479,700**	**4,498**	**–**	**–**	**–**	**484,198**

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	
	31 December 2022	30 June 2022
	$'000	$'000
Thomson Medical Pte Ltd (TMPL)	379,788	379,788
TMC Life Sciences Berhad (TMCLS)	41,091	42,601
BB Waterfront Sdn Bhd (BBWF)	58,821	60,983
	479,700	483,372

Goodwill is tested for impairment annually, or more frequently when there is an indication that the CGUs may be impaired. The Group performed its annual impairment test in June 2022. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 30 June 2022.

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 as at 30 June 2022	98,243	1,386	99,629
Cost			
At 1 July 2022	**156,848**	**1,731**	**158,579**
Exchange differences	(5,561)	(61)	(5,622)
At 31 December 2022	**151,287**	**1,670**	**152,957**
Accumulated depreciation and impairment			
At 1 July 2022	**58,605**	**345**	**58,950**
Charge for the period	–	27	27
Exchange differences	(2,077)	(12)	(2,089)
At 31 December 2022	**56,528**	**360**	**56,888**
Net carrying amount			
At 31 December 2022	**94,759**	**1,310**	**96,069**

12. Investment properties (cont'd)

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

Impairment testing of freehold land
The investment properties are measured at cost, including transaction costs, on initial recognition. Subsequent to recognition, investment properties, except for freehold land, are carried at cost less accumulated depreciation and accumulated impairment losses.

The recoverable amounts of the freehold land and development property as disclosed in Note 14 were determined based on the fair value 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 fair value measurement was categorised as Level 3 based on the inputs in the valuation technique used were disclosed in the audited financial statements for the year ended 30 June 2022.

The Group obtains independent appraisals on an annual basis. No indications of impairments were identified as at 31 December 2022.

13. Other investment

	Group	
	31 December 2022	**30 June 2022**
	$'000	**$'000**
Equity instrument designated at fair value through OCI		
Non-listed equity investment		
Whitecoat Global Holdings Pte. Ltd.	2,157	2,335

The Group holds 3.00% equity interest in this company. The Group has elected to measure this investment at FVOCI due to the Group's intention to hold the equity instrument for long-term appreciation. As at 31 December 2022, a change in fair value of $178,000 has been recognised in other comprehensive income.

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.

13. Other investment (cont'd)

(b) Assets measured at fair value

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

	Group			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) S$'000	**Significant observable inputs other than quoted prices (Level 2)** S$'000	**Significant unobservable inputs (Level 3)** S$'000	**Carrying amount** S$'000
31 December 2022				
Financial assets designated fair value through OCI:				
Non-listed equity investment	–	–	2,157	2,157
Derivative financial instruments:				
Interest rate swaps	–	222	–	222
30 June 2022				
Financial assets designated fair value through OCI:				
Non-listed equity investment	–	–	2,335	2,335

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 is estimated with reference to the recent subscription price of shares issued. 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	
	31 December 2022 **\$'000**	**30 June 2022** **\$'000**
Cost	142,849	148,100
Accumulated impairment losses	(52,929)	(54,875)
Carrying amount	**89,920**	**93,225**

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

The determination of the recoverable amount of development property is disclosed in Note 12.

15. Interest-bearing loans and borrowings

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	$'000	$'000	$'000	$'000
Current:				
Secured bank loans	4,868	2,679	–	–
Medium-term notes	–	225,000	–	225,000
	4,868	227,679	–	225,000
Non-current:				
Secured bank loans	446,461	226,801	365,254	151,134
Medium-term notes	174,696	174,620	174,696	174,620
	621,157	401,421	539,950	325,754
Total interest-bearing loans and borrowings	626,025	629,100	539,950	550,754

Secured bank loans

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

Bank loans of the subsidiaries amounting to $86,075,000 (30 June 2022: 78,346,000) are secured by a charge over certain shares and property of the subsidiaries and cross guarantee provided by the Company and subsidiaries of the Company.

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 was due in July 2022 and this had been fully redeemed on 18 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.

16. Share capital

	Group and Company			
	31 December 2022		30 June 2022	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
At beginning of the period	26,441,067	2,364,503	26,441,017	2,364,497
Shares issued on conversion of warrants	–	–	50	6
At end of the period	26,441,067	2,364,503	26,441,067	2,364,503

The Company does not hold any treasury shares as at 31 December 2022 and 30 June 2022.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2022 and 30 June 2022.

17. Subsequent events

There are no subsequent events that have led to adjustments to this set of interim financial statements.

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 condensed interim consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of cash flows of the Group for the financial period ended 31 December 2022 and condensed interim statement of financial position of the Group and Company as at 31 December 2022 have not been audited or reviewed 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.**

1H2023 compared with 1H2022

The Group's revenue increased by 26.6% to $184.0 million for the six-month period ended 31 December 2022 (**"1H2023"**) compared to the same period last year of $145.4 million. Revenue from the Hospital and Specialised Services segments grew by 14.6% and 41.0% respectively. The growth was mainly attributed to the increase in overall patient loads and higher average bill sizes. In Singapore the revenue growth was further augmented by the income received from project related services such as managing the vaccination centres and the Transitional Care Facilities ("TCFs"). While in Malaysia, revenue continued to improve due to higher patient loads and higher case intensity handled, which is partially attributed to the increased operating capacity at Thomson Hospital Kota Damansara ("THKD").

The Group's EBITDA increased by 40.6% from $39.5 million to $55.5 million during 1H2023 on the back of higher revenue growth.

Other income was lower at $2.3 million during the 1H2023. 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 $38.6 million during 1H2023. The increase was mainly due to higher professional fees paid to doctors and higher operating costs incurred on the new expansion wing at THKD. Staff costs during 1H2023 were higher by 26.7% compared to the same period last year mainly due to the increase in headcounts in Malaysia, which resulted from the opening of the new expansion wing at THKD, and increased competition in the healthcare market. Depreciation and amortisation expenses increased by $1.6 million as compared to 1H2022 mainly due to depreciation charged on the new expansion wing at THKD.

Net finance costs were higher by $1.3 million mainly due to the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use during 2H2022 and higher interest rates during 1H2023 compared to the same period last year.

Income tax expense was higher mainly due to higher taxable profits.

As a result of the above, the Group recorded a net profit after tax of $24.3 million in 1H2023 compared to $14.0 million for the same period last year.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Total assets of the Group of $1.34 billion as at 31 December 2022 were lower compared to $1.36 billion as at 30 June 2022. The decrease was largely due to the loss in translation on the assets denominated in Ringgit Malaysia, as a result of the depreciation of Ringgit Malaysia against Singapore Dollars, as well as the lower cash and short-term deposits due to the purchase of property and equipment, dividends paid to the shareholders of the Company and payment of interests on bank loans. The decrease is partially offset by the increase in trade and other receivables as a result of higher revenue generated and net cash flow generated during 1H2023.

Total liabilities of the Group of $758.4 million as at 31 December 2022 were higher compared to $756.6 million as at 30 June 2022. The increase was mainly due to the increase in trade and other payables as a result of higher operating expenses incurred, and the additional loans drawdown to fund the construction costs incurred at THKD.

REVIEW OF STATEMENT OF FINANCIAL POSITION (cont'd)

Total equity of the Group was $582.9 million as at 31 December 2022 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 decrease in cash and cash equivalents during 1H2023 of $5.9 million. The net decrease was mainly due to the cash flow used to purchase property and equipment amounting to $6.5 million, payments of loan interests and lease liabilities amounting to $19.2 million and dividends paid to shareholders of the Company of $30.4 million. The decrease was partially offset by the increase in net cash flows from operations of $52.8 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

In Singapore, the Group remains focused on the execution of its expansion plan with the opening of new medical centres and clinics. With a transition to an endemic phase of COVID-19, we have seen an increasing trend of in-patient admissions at our hospital. Our paediatric business has also shown a healthy return to pre-pandemic levels. In addition, we continue to support the government in several public-private partnerships - managing vaccination centres and Transitional Care Facilities (TCFs).

Malaysia has reopened its international borders since 1 April 2022. The Group expects a strong recovery in the healthcare sector in Malaysia, especially in fertility services. The expansion project at Thomson Hospital Kota Damansara ("THKD") has completed in Q3 of FY2022. The new wing will open in phases; total licence beds have increased from 240 to 340 with a further potential to increase to 550 beds. The increased operating capacity at THKD has led to higher revenue in 1H2023 due to increased admissions and higher case intensity.

Barring any unforeseen circumstances, the Group expects its existing and new business lines to grow and is therefore cautiously optimistic of its business prospects in the current financial year.

5. Dividend Information

(a) Current Financial Period Reported on
Any dividend recommended for the current financial period reported on?
No.

b) Corresponding Period of the Immediate Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date payable
Not applicable.

(d) Book Closure Date
Not applicable.

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.
No dividend has been declared or recommended for the current financial period as the Company will only consider declaring a final dividend after the end of each financial year.

6. Interested person transactions

The Company did not obtain a general mandate from shareholders for IPTs.

7. Update on use of exercise proceeds from Warrants Issue

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. There is no utilisation of the proceeds from Warrant Issue during the financial period 31 December 2022.

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. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the condensed interim financial statements for the six-month period ended 31 December 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

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

10 February 2023