Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Thomson Medical Group Limited

Stock code: A50

Meeting details:
Date: 27 October 2022
Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q1. Would the board/management provide shareholders greater clarity on the following operational and financial matters? Specifically:

(i) **Thomson Hospital Kota Damansara (THKD):** The new expansion wing will also house a brand-new Cancer & Theranostics Centre, Nuclear Medicine Centre, Eye Health Centre, Preventive Health and Family Medical Centre. The bed count at THKD will increase from 205 to 535. **Were there challenges in recruiting doctors, nurses and other key medical personnel needed for the new wing at THKD? What was the utilisation rate of the newly open hospital wing? When does management expect to fully open THKD?**

(ii) **Thomson Medical Centre (TMC):** Management is cognisant that there is a decrease in overall patient satisfaction levels in FY2022 (page 54). This has been attributed longer wait times for screening, testing, admission and discharge processes and stricter visitor management practices for outpatient services during the COVID-19 peak period from August to December 2021. For inpatient services, the customer satisfaction rate was consistently maintained at 92% throughout the year.

ESG Factor	Metrics	FY2021	FY2022	Target
 Patient Satisfaction	Compliments to complaint ratio	24:1	16:1	20:1
	Customer satisfaction rate	99%	88%	> 85%
	Choice hospital again	98%	91%	> 85%
	Recommend TMC to friends and relatives	98%	90%	> 85%

(Source: company annual report)

What guidance and resources have the board given to management to help TMC to bring up the patient satisfaction level?

In addition, the number of employees decreased from 723 to 699 as at 30 June 2022. This decrease can be attributed to the ongoing manpower crunch within the healthcare sector that has only been amplified by the Covid-19 pandemic. In the review of the ESG factor – Employment (GRI 401), it was disclosed that the average monthly employee turnover rate has also increased from 1.5%-1.6% in FY2020 & FY2021 to 2.1% in FY2022. **What is management's strategy to address the ongoing manpower crunch?**

(iii) **Vantage Bay Healthcare City (VBHC):** The group owns 9.23 ha of freehold waterfront land just a kilometre from the Johor Causeway that will be developed into an integrated healthcare city. **What progress has the group made in the financial year regarding the development of VBHC?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q2. As at 30 June 2022, the group has cash and bank balances of $161.6 million and debt and borrowings of $629.1 million. Finance costs for FY2022, including amortisation of financing fees on borrowings, were $23.5 million (Note 6 Finance costs; page 139).

Details of the group's interest-bearing loans and borrowings can be found on page 161 (reproduced below).

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

(Source: company annual report)

In Note 36 (page 175 – Subsequent events), it was disclosed that group obtained a new loan facility in May 2022 and fully drew down $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.

(i) **What is the interest rate on the new loan facility?**

(ii) **With the refinancing, how much of the group's $629 million in interest-bearing loans and borrowings are based on floating interest rate?**

On 21 July 2022, the group has entered into an Interest Rate Swap Transaction with a notional amount of $25 million to partially hedge the floating interest rate of a secured bank loan into fixed interest rate for two years.

(iii) **What guidance has the board set for management with regard to managing the group's interest rate risks?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q3. The attendance of directors at board and board committee meetings is shown in the table below:

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

Name of director	Nature of appointment	Board	ARC	NRC
		No. of meetings attended/ No. of meetings during a Director's tenure		
Ng Ser Miang	Chairman, Independent, Non-Executive	5/5	4/5*	2/2
Dr Wong Chiang Yin(1)	Executive, Group CEO	5/5	5/5*	2/2*
Wilson Sam	Executive, Group CFO	5/5	5/5*	2/2*
Lim Wee Kiat(2)	Executive, CEO of Thomson X Pte Ltd	5/5	5/5*	2/2#
Wan Nadiah Binti Wan Mohd Abdullah Yaakob(3)	Executive, Group CEO of TMC Life Sciences Berhard	3/3	2/3*	1/1*
Heng Kim Chuan Freddie(4)	Non-Executive	1/1	1/1	NA
Ong Pang Liang	Independent, Non-Executive	5/5	5/5	2/2
Dr Lam Lee G	Independent, Non-Executive	5/5	5/5	NA
Christina Teo Tze Wei(5)	Independent, Non-Executive	3/3	3/3*	1/1
June Leong Lai Ling(6)	Independent, Non-Executive	3/3	3/3	1/1*

(1) Resigned as Executive Director and Group Chief Executive Officer and the date of his cessation is 30 September 2022.
(2) Re-designated from Non-Executive to Executive Director and ceased as NRC member on 1 January 2022. Appointed Executive Vice-Chairman on 1 September 2022.
(3) Appointed on 1 January 2022 as Executive Director
(4) Retired on 22 October 2021
(5) Appointed on 1 January 2022 as Director and NRC member
(6) Appointed on 1 January 2022 as Director and ARC member

* attendance was by invitation for non-ARC and non-NRC member
# attendance for one meeting as NRC member and one meeting as invitee

(Source: company annual report)

In the corporate governance report, the company has disclosed that all directors are invited to attend meetings held by the audit and risk committee (ARC) and the nominating and remuneration committee (NRC) "*as part of good corporate governance*".

(i) **Would the board help shareholders better understand the thinking behind the open invitations for all directors to attend board committee meetings? Can the board clarify if the open invitations apply to executive directors?**

(ii) **Specifically, would the board committee meetings be turned into "standard" board meetings and thus negating the purpose of having independent board committees?**

(iii) **What are the "Chinese walls" that are put in place at the board committee meetings when the independent directors on the board committees may be reviewing and discussing matters that are related to or affect the executive directors?**

(iv) **Are the committees able to make decisions objectively and independently?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)