

TMC LIFE SCIENCES BERHAD
Registration No. 200301021989 (624409-A)
(Incorporated in Malaysia)

MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING ("**19TH AGM**" OR "**MEETING**") OF THE COMPANY DEEMED HELD WHERE THE CHAIRMAN OF THE MEETING IS IN PETALING JAYA, SELANGOR DARUL EHSAN ON A FULLY VIRTUAL BASIS VIA ONLINE MEETING PLATFORM HOSTED ON THE SECURITIES SERVICES E-PORTAL AT <HTTPS://SSHBSB.NET.MY/> PROVIDED BY SS E SOLUTIONS SDN. BHD. AT LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON WEDNESDAY, 3 NOVEMBER 2021 AT 10:00 A.M.

- DIRECTORS** : Dato' Sri Mohd Mokhtar bin Mohd Shariff (*Chairman*)
Ms. Wan Nadiyah binti Wan Mohd Abdullah Yaakob
(*Executive Director and Group Chief Executive Officer*)
Dr. Lam Lee G (*Independent Non-Executive Director*)
Mr. Gary Ho Kuat Foong
(*Independent Non-Executive Director*)
Ms. Claire Lee Suk Leng
(*Non-Independent Non-Executive Director*)
Mr. Kan Kheong Ng (*Executive Director*)
Mr. Wilson Sam (*Alternate Director to Mr. Kan Kheong Ng*)
- MEMBERS** : As per Attendance List
- PROXYHOLDERS** : As per Attendance List
- CORPORATE REPRESENTATIVES** : As per Attendance List
- BY INVITATION** : As per Attendance List
- IN ATTENDANCE** : Mr. Jimmy Wong Yu Chee (*Group Chief Financial Officer*)
Ms. Irene Kwan Yee Man (*Chief Executive Officer*)
Ms. Chua Siew Chuan (*Company Secretary*)
Mr. Ng Kim Ling
(*Audit Engagement Partner of Ernst & Young PLT*)

CHAIRMAN

Dato' Sri Mohd Mokhtar bin Mohd Shariff ("**Dato' Sri Chairman**") was in the Chair. Dato' Sri Chairman welcomed all present to the Company's 19th AGM and called the Meeting to order at 10:00 a.m.

Dato' Sri Chairman informed the shareholders that in view of the current COVID-19 pandemic and in line with the latest Guidance Note and Frequent Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, this Meeting is conducted on a fully virtual basis, via live streaming webcast and online remote voting using the remote participation and voting facilities without physical attendance.

Dato' Sri Chairman then proceeded to introduce the Directors, Senior Management, Company Secretary and the External Auditor of the Company to the shareholders.

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(Minutes of the Nineteenth Annual General Meeting held on 3 November 2021 - cont'd)

QUORUM

The requisite quorum being present pursuant to Clause 70 of the Company's Constitution, Dato' Sri Chairman declared the Meeting duly convened.

Dato' Sri Chairman informed the Meeting that only members whose names appeared in the Record of Depositors on 28 October 2021 were eligible to attend today's Meeting.

NOTICE

The Notice convening the Meeting, having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

PROCEEDINGS

Dato' Sri Chairman informed the Meeting that in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and pursuant to Clause 74.1(a) of the Company's Constitution, Dato' Sri Chairman hereby exercise his right as the Chairman of the Meeting to demand for a poll to be conducted for all resolutions which are put forth for voting at the Meeting.

Ms. Chua Siew Chuan ("**Ms. Chua**"), *Company Secretary of the Company* informed that as indicated by the Securities Commission Malaysia, shareholders, corporate representatives and proxies could rely on real time submission of typed texts to exercise the rights to speak or communicate in a virtual meeting. Therefore, shareholders, corporate representatives or proxies who are attending the 19th AGM remotely might use the text box under the live stream player within the same e-Portal page to submit their questions or remarks in real time during the Meeting.

The Meeting was informed that the Company endeavours to respond to all questions relevant to the Agenda items during the Meeting and any unattended questions and/or remarks submitted by shareholders, corporate representatives or proxies would be responded to within thirty (30) days after the conclusion of the Meeting via email.

Ms. Chua further informed that the Company would respond to the questions raised by Minority Shareholders Watch Group and those transmitted by shareholders, corporate representatives and proxies via the text box after all items on the Agenda had been dealt with.

Ms. Chua then briefed the Meeting that as there was no legal requirement for a proposed resolution to be seconded, Dato' Sri Chairman would take the Meeting through each item on the Agenda. The voting module had been made accessible to all shareholders, proxies and corporate representatives to submit their votes from the start of the Meeting and shall continue to be accessible until the closure of the voting session to be announced later during the Meeting. Alternatively, shareholders, proxies or corporate representatives might cast their vote after all the questions and answers in relation to each Agenda and resolution have been dealt with.

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Ms. Chua informed that there were shareholders who were unable to participate in the Meeting remotely and had appointed the Chairman of the Meeting to vote on their behalf. Accordingly, Dato' Sri Chairman would be voting in his capacity as proxy in accordance with the shareholders' instructions, where indicated.

The Meeting was informed that SS E Solutions Sdn. Bhd. was appointed as the poll administrator and Commercial Quest Sdn. Bhd. was appointed as an independent scrutineer to verify the results of the poll voting.

The Meeting noted on the voting procedure as explained by the step-by-step guide together with a short audio clip on the online voting module within the e-Portal.

Dato' Sri Chairman thereafter invited Mr. Jimmy Wong Yu Chee ("**Mr. Jimmy Wong**"), Group Chief Financial Officer, to brief the Meeting on the Company's performance for the financial year ended 30 June 2021 as per Annexure A attached to this Minutes.

Upon completion of the presentation by Mr. Jimmy Wong, Dato' Sri Chairman proceeded with the first item on the Agenda of the Meeting.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON

The first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon.

This Agenda was meant for discussion only as Section 340(1)(a) of the Companies Act 2016 did not require a formal approval by the shareholders. Hence, it was not put forth for voting.

Dato' Sri Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon, be received.

2. DECLARATION AND PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF 0.2215 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 30 JUNE 2021

Dato' Sri Chairman informed that the next item on the Agenda was to approve the declaration and payment of a final single-tier dividend of 0.2215 sen per ordinary share in respect of the financial year ended 30 June 2021.

This dividend would be payable on 3 January 2022 to shareholders whose names appeared in the Record of Depositors on 6 December 2021, if approved by the shareholders.

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3. PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM500,000 FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

Dato' Sri Chairman informed that the next item on the Agenda was to approve the payment of Directors' fees amounting to RM500,000 for the financial year ending 30 June 2023.

4. PAYMENT OF DIRECTORS' BENEFITS AMOUNTING TO RM120,000 FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

Dato' Sri Chairman informed that the next item on the Agenda was to approve the payment of Directors' benefits amounting to RM120,000 for the financial year ending 30 June 2023.

The Directors' benefits comprised meeting allowances. The total estimated amount of Directors' benefits payable was calculated based on the size of the Board of Directors ("**Board**") and Board Committees and the number of meetings estimated to be held during the financial year ending 30 June 2023.

The payment of Directors' benefits would be made by the Company on a monthly basis and/or as and when incurred if this resolution has been passed at this Meeting. The Board was of the view that it is just and equitable for the Directors to be paid on Directors' benefits on such basis, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries (if any) throughout the period as stated therein.

5. RE-ELECTION OF THE FOLLOWING DIRECTORS, WHO RETIRED PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION, AND BEING ELIGIBLE, HAD OFFERED THEMSELVES FOR RE-ELECTION:
(A) MS. WAN NADIAH BINTI WAN MOHD ABDULLAH YAAKOB; AND
(B) MR. KAN KEHONG NG

Dato' Sri Chairman informed that the next item on the Agenda was to re-elect the retiring Directors, Ms. Wan Nadiah binti Wan Mohd Abdullah Yaakob and Mr. Kan Kheong Ng as Directors of the Company pursuant to Clause 97 of the Company's Constitution and being eligible, have offered themselves for re-election.

6. RE-APPOINTMENT OF ERNST & YOUNG PLT AS THE COMPANY'S AUDITORS UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND AUTHORISATION FOR THE DIRECTORS TO FIX THEIR REMUNERATION

Dato' Sri Chairman informed that the next item on the Agenda was to re-appoint Ernst & Young PLT as the Company's Auditors until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

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The Meeting noted that Ernst & Young PLT had indicated their willingness to continue in office as Auditors of the Company.

7. SPECIAL BUSINESS
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

Dato' Sri Chairman informed that the next item on the Agenda was to approve a Special Business in relation to the authority to issue shares pursuant to the Companies Act 2016.

The Meeting noted that the proposed resolution was primarily to give flexibility to the Board to issue and allot shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation would expire at the conclusion of the next Annual General Meeting of the Company.

The Meeting further noted that this is a renewal of the mandate obtained from the shareholders at the last Annual General Meeting ("**the previous mandate**"). The purpose of this general mandate is for possible fundraising exercises including but not limited to further placement of shares, for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

The previous mandate obtained from the shareholders at the last Annual General Meeting was not utilised and accordingly, no proceeds were raised.

8. SPECIAL BUSINESS
RETENTION OF MR. GARY HO KUAT FOONG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Sri Chairman informed that the next item on the Agenda was to approve a Special Business in relation to the retention of Mr. Gary Ho Kuat Foong as an Independent Non-Executive Director of the Company.

The Meeting noted that Mr. Gary Ho Kuat Foong has served the Company for more than nine (9) years as an Independent Non-Executive Director of the Company and has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considered him to be independent and recommended that he should be retained as an Independent Non-Executive Director of the Company.

9. SPECIAL BUSINESS
RETENTION OF MS. CLAIRE LEE SUK LENG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Sri Chairman informed that the next item on the Agenda was to approve a Special Business in relation to the retention of Ms. Claire Lee Suk Leng as an Independent Non-Executive Director of the Company.

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The Meeting noted that Ms. Claire Lee Suk Leng was redesignated as a Non-Independent Non-Executive Director of the Company when she reached her cumulative term of nine (9) years on 18 October 2021.

The Meeting further noted that Ms. Claire Lee Suk Leng has served the Company for more than nine (9) years. However, she has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considered her to be independent and recommended that she should be retained as an Independent Non-Executive Director of the Company.

10. SPECIAL BUSINESS
PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

Dato' Sri Chairman informed that the next item on the Agenda was to approve a Special Business in relation to the proposed amendments to the Constitution of the Company.

The Meeting noted that the proposed resolution was intended to update the Company's Constitution to enable the signing of the minutes of meetings via electronic means by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

ANY OTHER ORDINARY BUSINESS

The Meeting noted that no notice was received for transacting any other ordinary business at this Meeting.

QUESTIONS AND ANSWERS SESSION

At this juncture, Dato' Sri Chairman invited Ms. Wan Nadiah binti Wan Mohd Abdullah Yaakob to present on the Company's responses to the queries raised by Minority Shareholders Watch Group as stipulated under Annexure B attached to this Minutes.

Upon answering the queries raised by the shareholders as stipulated under Annexure B attached to this Minutes, the Meeting proceeded with the poll voting session.

The Meeting noted that for those relevant questions that were not being answered, the Company would respond via email after the Meeting within thirty (30) days.

POLLING PROCEDURES

At this juncture, Dato' Sri Chairman requested shareholders, proxies and corporate representatives to submit their votes as the voting session would continue for another ten (10) minutes.

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(Minutes of the Nineteenth Annual General Meeting held on 3 November 2021 - cont'd)

The Meeting then proceeded with the casting of votes and verification of votes results by the independent scrutineers, Commercial Quest Sdn. Bhd.

ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11:05 a.m. and Dato' Sri Chairman announced the results of the poll voting.

The results of the poll voting were as follows:

Resolutions	Voted for		Voted against	
	No. of shares	%	No. of shares	%
<u>Resolution 1</u> To approve the declaration and payment of a final single-tier dividend of 0.2215 sen per ordinary share in respect of the financial year ended 30 June 2021.	1,225,851,808	100.0000	2	0.00
<u>Resolution 2</u> To approve the payment of Directors' fees amounting to RM500,000 for the financial year ending 30 June 2023.	1,225,821,201	99.9979	25,604	0.0021
<u>Resolution 3</u> To approve the payment of Directors' benefits amounting to RM120,000 for the financial year ending 30 June 2023.	1,225,818,696	99.9977	28,109	0.0023
<u>Resolution 4</u> To re-elect Ms. Wan Nadiah binti Wan Mohd Abdullah Yaakob who is due to retire as a Director pursuant to Clause 97 of the Company's Constitution.	1,225,851,204	100.0000	606	0.0000
<u>Resolution 5</u> To re-elect Mr. Kan Kheong Ng who is due to retire as a Director pursuant to Clause 97 of the	1,225,851,608	100.0000	2	0.0000

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Resolutions	Voted for		Voted against	
	No. of shares	%	No. of shares	%
Company's Constitution.				
<u>Resolution 6</u> To re-appoint Ernst & Young PLT as the Company's Auditors and to authorise the Directors to fix their remuneration.	1,225,848,108	100.0000	2	0.0000
<u>Resolution 7</u> Authority to issue shares pursuant to the Companies Act 2016.	1,225,842,101	99.9995	6,009	0.0005
<u>Resolution 8</u> Retention of Mr. Gary Ho Kuat Foong as an Independent Non-Executive Director.	1,225,821,303	99.9975	30,507	0.0025
<u>Resolution 9</u> Retention of Ms. Claire Lee Suk Leng as an Independent Non-Executive Director.	1,225,801,403	99.9959	50,407	0.0041
<u>Resolution 10</u> Proposed amendments to the Constitution of the Company.	1,225,846,306	99.9996	5,504	0.0004

Based on the results of the poll voting, Dato' Sri Chairman declared that Resolutions 1 to 10 were all **CARRIED** as follows:

RESOLUTION 1

"THAT a final single-tier dividend of 0.2215 sen per ordinary share in respect of the financial year ended 30 June 2021 be and is hereby approved for payment on 3 January 2022 to shareholders whose names appear in the Record of Depositories as at the close of business on 6 December 2021."

RESOLUTION 2

"THAT the payment of Directors' fees amounting to RM500,000 for the financial year ending 30 June 2023 be and is hereby approved."

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RESOLUTION 3

"THAT the payment of Directors' benefits amounting to RM120,000 for the financial year ending 30 June 2023 be and is hereby approved."

RESOLUTION 4

"THAT Ms. Wan Nadiah binti Wan Mohd Abdullah Yaakob, who retired as a Director pursuant to Clause 97 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

RESOLUTION 5

"THAT Mr. Kan Kheong Ng, who retired as a Director pursuant to Clause 97 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

RESOLUTION 6

"THAT Ernst & Young PLT be and is hereby re-appointed as the Company's Auditors until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration."

SPECIAL BUSINESS

RESOLUTION 7

AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"THAT subject to the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

SPECIAL BUSINESS

RESOLUTION 8

RETENTION OF MR. GARY HO KUAT FOONG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Mr. Gary Ho Kuat Foong be and is hereby retain as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance."

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(Minutes of the Nineteenth Annual General Meeting held on 3 November 2021 - cont'd)

SPECIAL BUSINESS

RESOLUTION 9

RETENTION OF MS. CLAIRE LEE SUK LENG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Ms. Claire Lee Suk Leng be and is hereby retain as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance."

SPECIAL BUSINESS

RESOLUTION 10

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given to the Company to amend its existing Clause 142 in the form and manner as set out in Appendix 1 of the Annual Report 2021;

AND THAT the Directors be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by any relevant authorities and to do all acts and take all such steps as may be considered necessary to give effect to the foregoing."

CLOSURE

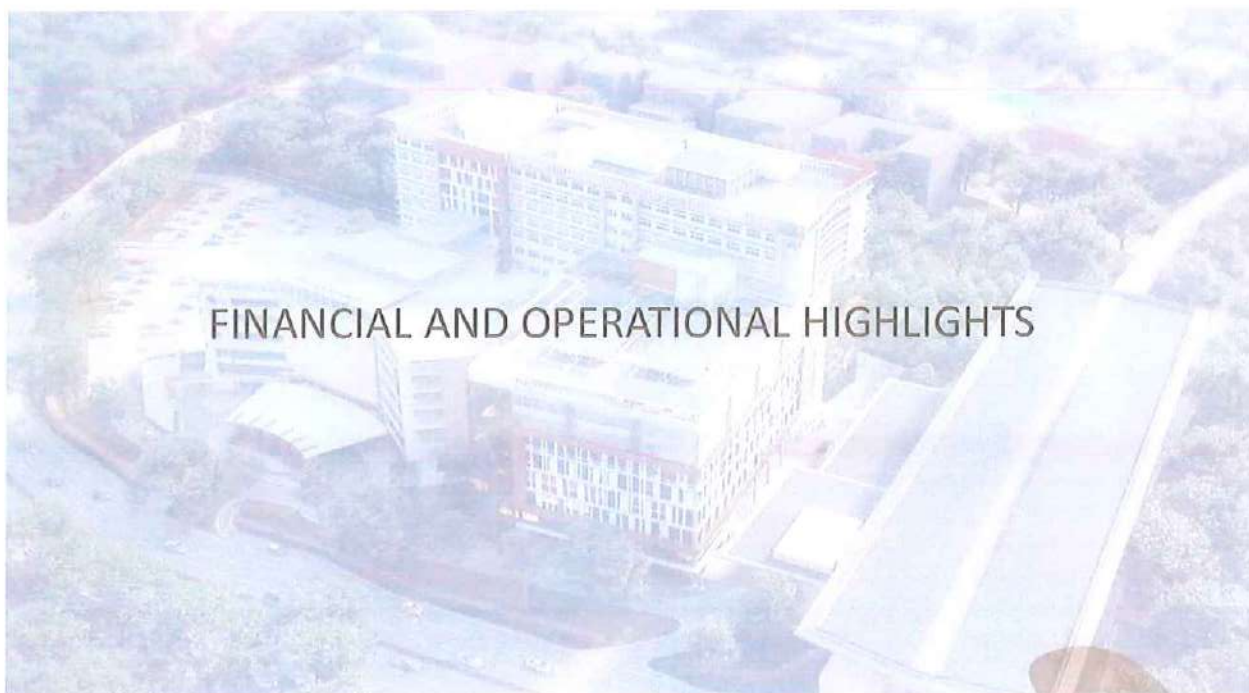
There being no other business, the Chairman declared the Meeting closed at 11:06 a.m.

SIGNED AS A CORRECT RECORD

SIGNED

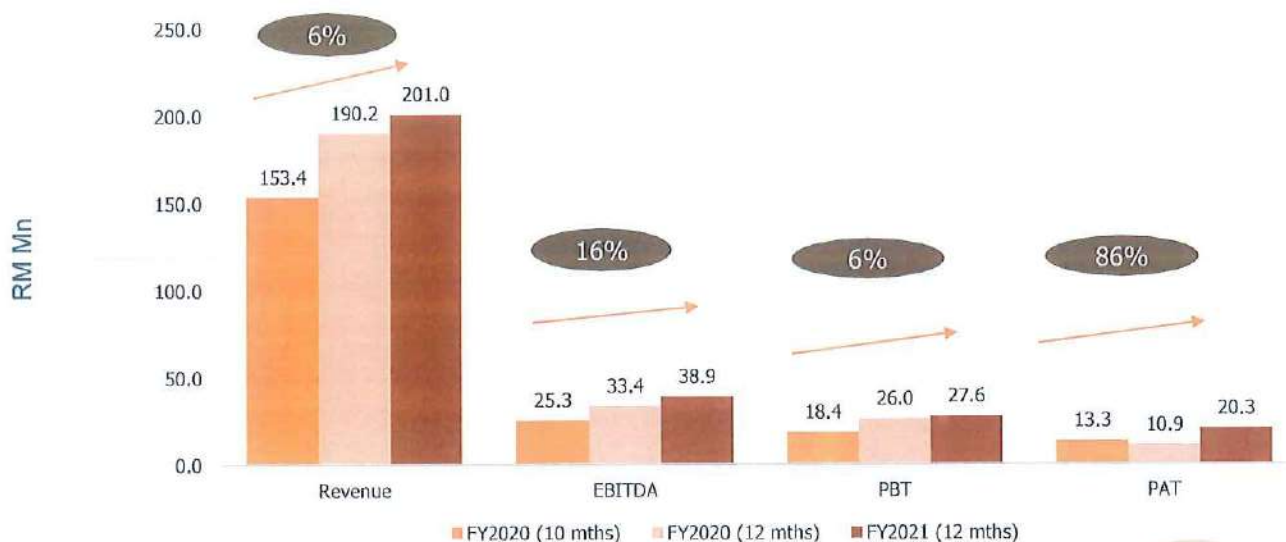
DATO' SRI MOHD MOKHTAR BIN
MOHD SHARIFF
CHAIRMAN

Dated: 3 November 2021

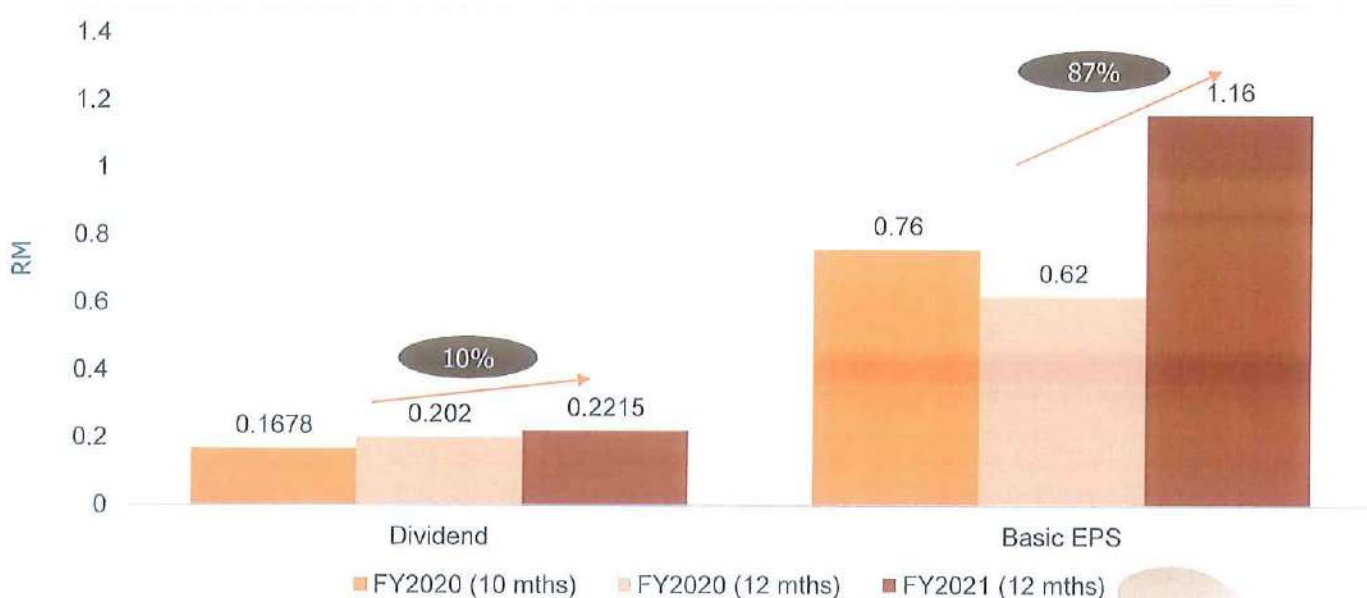


FINANCIAL AND OPERATIONAL HIGHLIGHTS

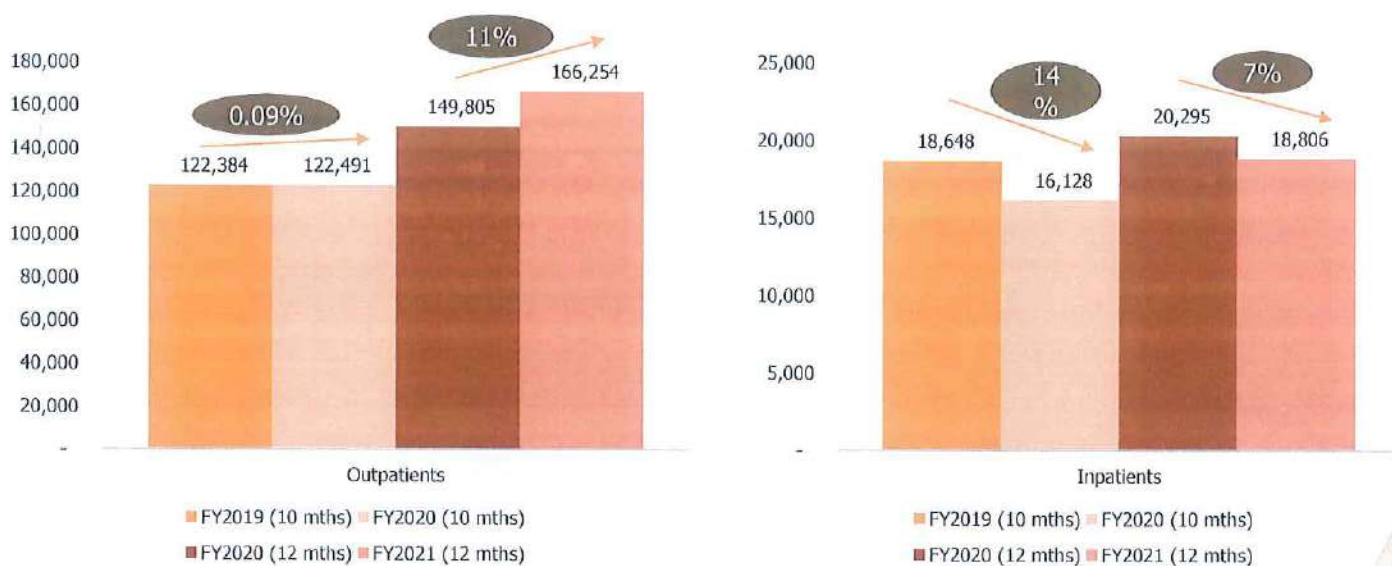
FY 2021 HIGHLIGHTS



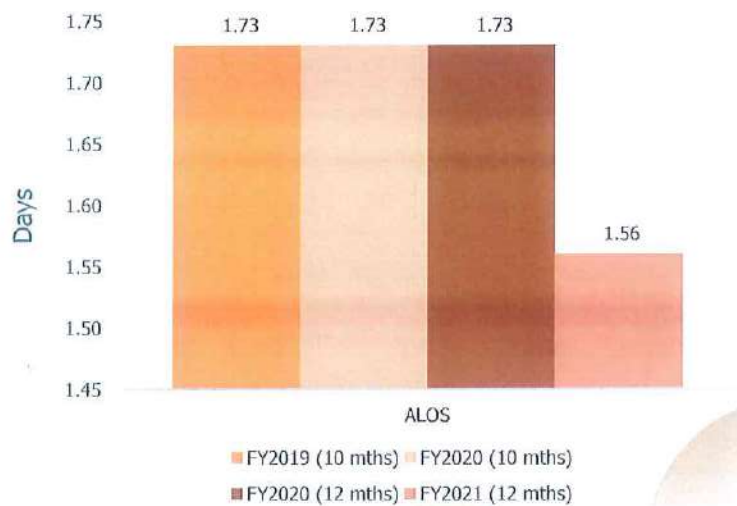
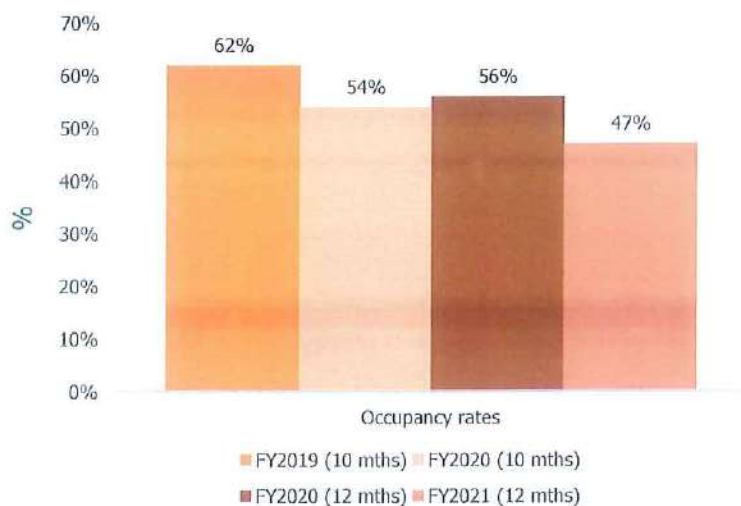
FY 2021 HIGHLIGHTS



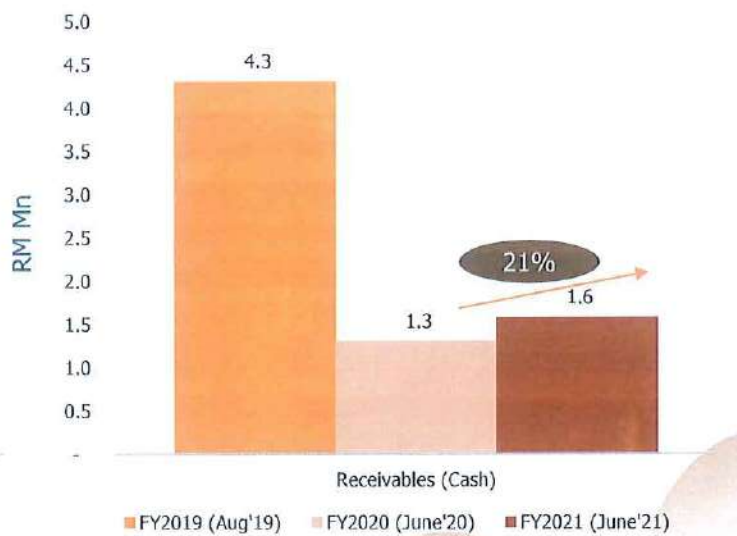
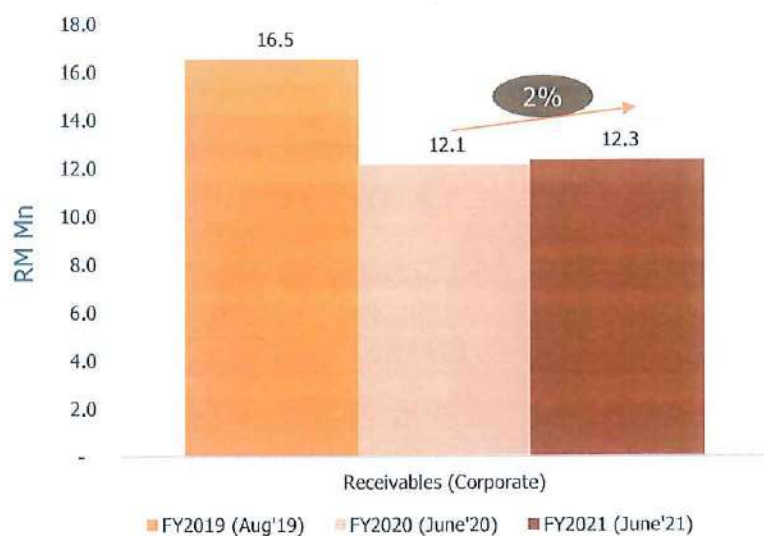
KEY OPERATIONAL INDICATORS



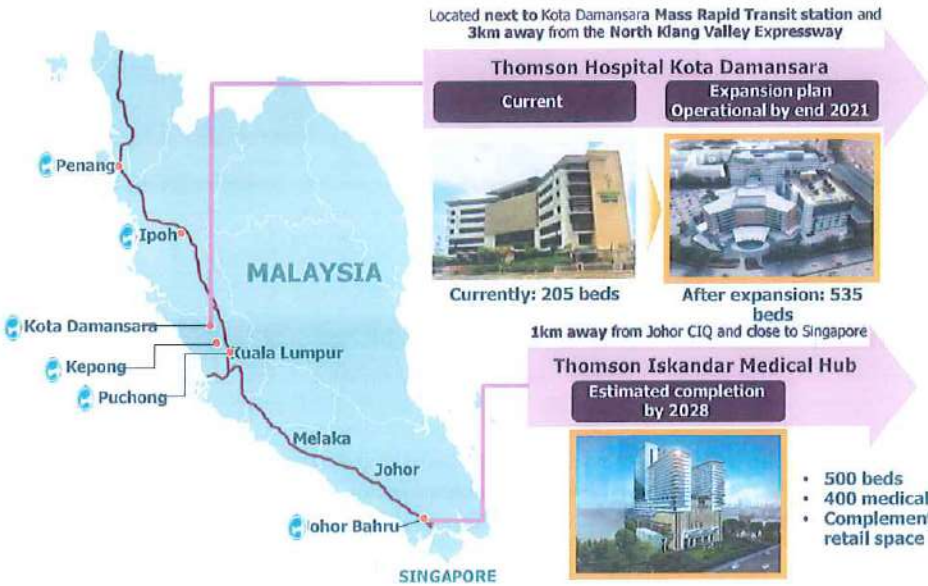
KEY OPERATIONAL INDICATORS



KEY OPERATIONAL INDICATORS



MALAYSIA HEALTHCARE ASSETS



- Flagship: Thomson Hospital Kota Damansara



- 6 fertility clinics and other centres



FACTS & FIGURES



235,62
2
Established in
2008

205
Beds

112
Specialist Consultants

924
Employees

52
Medical Specialties & Sub-specialties



166,254
Outpatient Attendance in 2021



4 years
Accreditation by the
Malaysian Society for
Quality in Health



2 years
RTAC Certification
by DNV GL

ACHIEVEMENTS



1



2



3

1. **10,680 Covid-19 vaccines** given at THKD under National Covid-19 Immunisation Programme (PICK) as of 25 October 2021.
2. **1st hospital in Asia Pacific** to have the Hybrid Imaging Modality, Mediso AnyScan SCP for PET/CT scan and SPECT/CT scintigraphy
3. **1st Headache Clinic** in Malaysia

AWARDS



BEST QUALITY INITIATIVE



INTERNATIONAL FERTILITY CLINIC OF THE YEAR



MALAYSIA FERTILITY & GYNAECOLOGY OF THE YEAR



WOMEN'S HEALTH AND WELLNESS SERVICE PROVIDER OF THE YEAR IN ASIA PACIFIC



COVID-19 HEALTH SERVICE PROVIDER OF THE YEAR IN ASIA PACIFIC



ENT SERVICE PROVIDER OF THE YEAR IN ASIA PACIFIC



2018 Highest Number of IVF Babies Produced by a Single IVF Practice - 5,388 IVF Babies



- Best Quality Initiative **IMTJ 2019, 2020**
- Diabetes Service Provider of the Year in Asia Pacific **Global Health and Travel Awards 2018**
- ENT Service Provider of the Year in Asia Pacific **Global Health and Travel Awards 2018 and 2019**
- Fertility Service Provider of the Year **Global Health and Travel Awards 2016, 2017, 2018 and 2019**
- Women's Health and Wellness Service Provider of the Year in Asia Pacific **Global Health and Travel Awards 2018, 2019, 2020 & 2021**
- Covid-19 Health Service Provider of the Year **Global Health and Travel Awards 2021**
- Malaysia Fertility Centre of the Year **Frost & Sullivan 2016, 2017, 2019 & 2020**
- Highest Number of IVF Babies Produced by A Single IVF Practice **Malaysia Book of Records 2018**
- Petaling Jaya Sustainable Community Award 2019 **SDG 13: Climate Action**
- Merit Award for Most Improved CG Disclosure **MSWG-ASEAN Corporate Governance Awards**
- Innovative Technology in the Healthcare Sector for Assisted Reproductive Technology Solutions **International Business Review ASEAN Awards**

THKD EXPANSION

	847,430	
	Square Feet	
535	9	1,150
Beds	Delivery Suites	Car Park Bays
10	2	154
Operating Theatres	Catheterization Labs	Outpatient Clinics



THKD EXPANSION

Completed interior areas of the new wings



Thank you

JIMMY WONG

Group Chief Financial Officer

TMC Life Sciences Berhad

No. 11, Jalan Teknologi , PJU 5 Kota Damansara,
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia

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SUMMARY OF KEY MATTERS DISCUSSED AT THE NINETEENTH ANNUAL GENERAL MEETING OF TMC LIFE SCIENCES BERHAD ("TMCLS" OR "THE COMPANY") DEEMED HELD WHERE THE CHAIRMAN OF THE MEETING IS IN PETALING JAYA, SELANGOR DARUL EHSAN ON A FULLY VIRTUAL BASIS HOSTED ON SECURITIES SERVICES E-PORTAL AT [HTTPS://SSHSB.NET.MY/](https://sshsb.net.my/) PROVIDED BY SS E SOLUTIONS SDN. BHD. IN MALAYSIA ON WEDNESDAY, 3 NOVEMBER 2021 AT 10:00 A.M.

Minority Shareholders Watch Group's questions and answers

Operations and Financial Matters

Question 1:

The Company had undergone expansion for its Thomson Hospital Kota Damansara ("THKD") unit and its medical hub known as Thomson Iskandar in Johor Bahru in 2021. A total of RM104.0 million was spent as capital expenditure ("CAPEX") in financial year ended ("FYE") 2021 (Page 9 of Annual Report 2021) with RM98.0 million spent for the expansion.

- a) What were the specific amounts spent for the expansion of THKD and Thomson Iskandar in 2021?
- b) What is the new capacity in terms of beds for both of these facilities?
- c) What is the planned CAPEX for financial year ending 2022 and what will it be spent on?

Answer:

The Company has spent RM94.0 million in THKD expansion and RM4.0 million in Thomson Iskandar in 2021. The expansion would increase the capacity from 205 beds to 535 beds in THKD and another 500 beds for Thomson Iskandar Medical Hub.

Total CAPEX of RM79.0 million is planned for financial year ending 2022 mainly for the expansion at Kota Damansara including construction cost, medical equipment, information technology, furniture and fittings.

Question 2:

The Company had launched its SAP-THIS Healthcare Information System in December 2020 and was the first medical establishment in the country to do so (Page 15 of Annual Report 2021).

What was the cost incurred to launch the system?

Answer:

The total cost incurred for SAP-THIS Healthcare Information System was RM5.3 million for FYE 2021.

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(Summary of key matters discussed at the Nineteenth Annual General Meeting held on 3 November 2021 - cont'd)

Question 3:

THKD has been in the process of upgrading its Telehealth facilities during FYE 2021 with the addition of Rehab, Dietetics and Health Screening services to the platform (Page 15 of Annual Report 2021).

- a) What is the revenue derived from the Company's Telehealth division in FYE 2021?
- b) What are the Company's plans to grow its Telehealth business?

Answer:

Total revenue generated from the Company's Telehealth division was less than 1% of the total revenue in FYE 2021. However, in total the Group's contribution to revenue from e-commerce increased more than 500%, driven in part by sales at TMC Care Pharmacy and Thomson TCM.

The Company believes that Telehealth would become an integral part of healthcare service provision and therefore, would continue to develop and expand this platform to support its offline operations.

Question 4:

TMC Care, the Company's pharmaceutical arm experienced strong growth during the pandemic as it had pivoted to e-commerce to market its products (Page 19 of AR 2021).

- a) What was the contribution of TMC Care in terms of revenue and net profit of the Company in FYE 2021?
- b) What are the Company's plans to further develop its pharmacy business?

Answer:

TMC Care has generated revenue of RM2.6 million in FYE 2021, an increase of 166% compared to twelve (12)-month ended 30 June 2020. However, the business was in a loss-making position for FYE 2021 as it sees strong suppression on margins particularly in online sales.

As part of its expansion plan, TMC Care would be opening a new branch at THKD. The new branch would leverage on the synergies of the hospital by accepting referrals and supplying products and services to patients as well as members of the public.

Question 5:

The Company is among the few large medical establishments in the country which offer Traditional Chinese Medicine ("**TCM**") services (Page 20 of AR 2021).

- a) What was the contribution of TCM services to the Company's profitability in FYE 2021?
- b) What are the plans in the pipeline to grow the Company's TCM business?

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Answer:

TCM services was in a net loss position in FYE 2021 driven by the multiple lockdowns in Malaysia where TCM was deemed as a "non-essential" service that was restricted from operating during these periods.

The Company's TCM business would benefit from the growth of THKD, especially with the introduction of Oncology services at the hospital and there are plans to open a second outlet closer to the hospital in the future. In addition, Thomson TCM would continue to synergise and leverage on the referrals from TMC Fertility clinics. It would also focus on developing more own-label herbal medicines and remedies to address the growing health and wellness market.

Question 6:

There was an approximately 29% increase in Other Operating Expenses of the Company to RM31.6 million in FYE 2021 from RM24.5 million in FYE 2020 (Page 106 of Annual Report 2021).

What were the reasons for the substantial increase?

Answer:

The financial statements for the financial period ended 30 June 2020 were prepared at ten (10) months from 1 September 2019 to 30 June 2020. As the financial statements for the FYE 2021 was prepared at twelve (12) months, the comparative information in statements of comprehensive income was not comparable.

By referring to twelve (12)-month period analysis for FYE 2021 and year 2020, the operating expenses only increased by 3%, mainly arising from an increase in payments of professional fees to doctors and rehabilitation medicine providers.

Shareholders' questions and answers session

Ms. Gow Fei Chieh, a shareholder raised the following questions:

- When is THKD's new expansion going to commence operations?
- How much is the total capitalised cost of THKD's new expansion?
- When is THKD's new expansion going to start to capitalise on its depreciation?

Answer:

Mr. Jimmy Wong Yu Chee ("**Mr. Jimmy Wong**"), *Group Chief Financial Officer* replied to the above questions raised as follows:

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- The THKD's new expansion building has been completed pending the inspection from the Ministry of Health Malaysia ("MOH") and is expected to commence its operation by end of 2021.
- The total costs capitalised as at 30 June 2021 was RM279.0 million.
- The THKD's new expansion would start to depreciate upon its commencement of operation, which is targeted by end of 2021.

Mr. Lee Kin Khuen, a shareholder raised the following questions:

- What is the bed occupancy rate before and after Covid-19? Is there any improvement after easing the movement restrictions?
- What is the percentage of foreign patients accounted for from the total number of patients before and after Covid-19?
- What is the estimated CAPEX of machineries, medical equipment, etc. for THKD after completion of the building?
- What is the Group's plan for expansion of THKD to pare down or pay off the substantial borrowings?

Answer:

Mr. Jimmy Wong replied to the above questions raised as follows:

- The bed occupancy rate before and after Covid-19 was approximately 66% and 47%, respectively. After easing of the movement restrictions, patients have started to return to the hospital for elective cases.
- The percentage of foreign patients out of the total number of patients before and after Covid-19 were approximately 35% and 11%, respectively. The decrease was mainly due to border closures that restrict foreign patients to seek medical and fertility treatments in Malaysia.
- The recurring CAPEX after the completion of THKD's building would be approximately RM11.0 million.
- THKD's expansion project is expected to generate significant revenue and cash flows to the Group to enable the Group to pay down the loans from the operating earnings.

Mr. Leow Yuk Loong, a shareholder enquired whether the Company would increase the dividend payout rate and if not, what is the rationale?

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Answer:

Mr. Jimmy Wong responded that the dividend payout rate is declared after taking into consideration the performance of the Company during the financial year and the needs to conserve cash flows to cater for the uncertainty over the Covid-19 situation. Nevertheless, the Board of Directors ("**Board**") is mindful that the shareholders shall be rewarded for their investment in the Company.

Mr. Lau Ati @ Lau Chuan Teng, a shareholder enquired whether the Board would consider giving e-voucher as a token of appreciation for shareholders who had participated in the Annual General Meeting remotely to support the Company.

Answer:

Ms. Wan Nadiah binti Wan Mohd Abdullah Yaakob ("**Ms. Wan Nadiah**"), *Group Chief Executive Officer* responded that the Company would be giving out e-vouchers via e-mail to the shareholders/proxies/corporate representatives who have attended this Meeting by 15 November 2021 as a token of appreciation.

Mr. Teh Peng Tin, a shareholder enquired about the costs spent on this Meeting and requested for a printed hard copy of the Annual Report 2021.

Ms. Wan Nadiah responded that the costs of holding a virtual meeting are the same as the costs of holding a physical meeting. Ms. Wan Nadiah informed that a printed hard copy of the Annual Report 2021 could be requested via the Share Registrar's website and that the Company would make the necessary arrangement to deliver a printed hard copy of the Annual Report 2021 to Mr. Teh Peng Tin.

Mr. Lee Eng Shan, a shareholder raised the following questions:

- If THKD is already completed, what is the 2022 budgeted CAPEX for construction?
- How many live participants joined today's Meeting?
- What is the most challenging aspect in ramping up THKD and its new capacity?
- Any comments on Sunway Healthcare Group's latest corporate exercise with Singapore's sovereign wealth fund, GIC Pte. Ltd. ("**GIC**"), and if TMCLS is currently commanding such a valuation premium?
- Does the Management foresee a pent-up demand in the healthcare industry?
- What have the Group done to nurture our Management leaders, and have the Group done enough to retain talents, especially the Group Chief Executive Officer, Ms. Wan Nadiah?

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Answer:

Mr. Jimmy Wong, Ms. Wan Nadiah and Ms. Chua Siew Chuan, *Company Secretary of the Company* replied to the above questions raised as follows:

- The total budgeted CAPEX for year 2022 of THKD's construction was approximately RM300.0 million. While phase one of the THKD's expansion on the main building has been completed and targeted to commence its operation by end of 2021, there are still some minor construction projects ongoing in 2020 for phase two of the THKD's expansion on the renovation of accident and emergency department and refurbishment of the old operating theatre complex.
- There are 66 live participants joining today's Meeting.
- The most challenging aspect in ramping up THKD and its new capacity would be the recruitment of healthcare professionals to provide the relevant services. Nevertheless, the Group has put in place the plans to address the issue, including sponsorship for nurses and recruitment of specialist consultants.
- The Group is unable to comment on other company's corporate exercise with Singapore GIC. The valuation premium of TMCLS depends on how the valuer evaluates the value of TMCLS. TMCLS continues to be a strong growth counter with the expansion plans coming along.
- Management foresees a pent-up demand in the healthcare industry and the growth prospects for the healthcare industry in Malaysia continues to be positive. Based on the recent budget announced by the Government of Malaysia, there was a significant focus on funding the healthcare sectors in Malaysia, including the fund to promote the country's medical tourism sector internationally.
- The Group has always prioritised succession planning and talent management with a few innovative programs in place to incentivise and identify future leaders. The Group believes that succession planning and talent management are a core priority as the Group continues to expand.

Shareholder's question and answer after the Meeting and response was furnished via email

Mr. Haw Weng King, a shareholder enquired on the Group's future plan to expand from fertility centres to other specialities.

Answer

The growth of TMC Fertility clinics would be based on expanding capacity and moving to adjacent services such as TCM and precision diagnostics, in line with the Group's vision of being a leading integrated health provider. In addition, the Group is also open to opening speciality clinics in other disciplines, with the approval from MOH.