

THOMSON MEDICAL CENTRE LIMITED
(Reg. No. 197702260R)

Half Year Financial Statement Announcement for the Period Ended 28 February 2007

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Profit and Loss Statement for the:

	Period Ended		Increase/ (Decrease) %
	28 February 2007 \$'000	28 February 2006 \$'000	
REVENUE	24,259	22,501	7.8
Cost of sales	(14,005)	(13,067)	7.2
GROSS PROFIT	10,254	9,434	8.7
Other operating income	1,080	386	179.8
Administration expenses	(3,536)	(3,115)	13.5
Other operating expenses	(2,347)	(2,116)	10.9
Finance costs	(223)	(202)	10.4
Share of associated company result	-	(250)	N.M.
PROFIT BEFORE TAXATION	5,228	4,137	26.4
Taxation	(796)	(849)	(6.2)
PROFIT FOR THE YEAR	4,432	3,288	34.8
Attributable to:			
Equity holders of the Company	4,441	3,295	34.8
Minority Interests	(9)	(7)	28.6
	4,432	3,288	34.8
Net Profit margin (%)	18.3	14.6	
Profit before taxation includes the following:			
Provision for impairment loss on trade receivables	(32)	(41)	
Depreciation of property and equipment	(1,341)	(1,307)	
Loss on disposal of property and equipment	(9)	(6)	
Loss in fair value of derivative financial instrument	(41)	-	
Interest income	178	85	
Gain on sale of associated company	621	-	

Note: Certain figures in the comparative period had been reclassified to conform to current period's presentation.

N.M denotes not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets as at :

	Group		Company	
	28 February 2007 \$'000	31 August 2006 \$'000	28 February 2007 \$'000	31 August 2006 \$'000
ASSETS				
Non Current Assets				
Goodwill	146	146	-	-
Property and equipment	85,095	82,770	84,327	81,943
Subsidiary companies	-	-	1,527	1,527
	<u>85,241</u>	<u>82,916</u>	<u>85,854</u>	<u>83,470</u>
Current Assets				
Inventory, at cost	858	847	696	713
Asset held for sale	-	329	-	950
Available-for-sale investments	73	70	73	70
Trade and other receivables	3,782	3,654	3,339	3,440
Pledged deposits	147	18	147	18
Cash and cash equivalents	12,481	14,028	8,798	10,893
	<u>17,341</u>	<u>18,946</u>	<u>13,053</u>	<u>16,084</u>
TOTAL ASSETS	<u>102,582</u>	<u>101,862</u>	<u>98,907</u>	<u>99,554</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	37,464	37,464	37,464	37,464
Reserves	32,669	32,666	32,669	32,666
Retained earnings	9,369	8,181	7,810	7,920
Equity attributable to shareholders	<u>79,502</u>	<u>78,311</u>	<u>77,943</u>	<u>78,050</u>
Minority interests	122	131	-	-
Total equity	<u>79,624</u>	<u>78,442</u>	<u>77,943</u>	<u>78,050</u>
LIABILITIES				
Non Current Liabilities				
Obligations under finance leases	122	179	122	179
Bank borrowings (secured)	7,760	8,440	7,760	8,440
Deferred taxation	1,657	1,661	1,595	1,595
	<u>9,539</u>	<u>10,280</u>	<u>9,477</u>	<u>10,214</u>
Current Liabilities				
Trade and other payables	10,410	9,914	8,616	8,243
Obligations under finance leases	121	147	121	147
Provision for taxation	1,528	1,719	1,390	1,540
Bank borrowings (secured)	1,360	1,360	1,360	1,360
	<u>13,419</u>	<u>13,140</u>	<u>11,487</u>	<u>11,290</u>
TOTAL EQUITY AND LIABILITIES	<u>102,582</u>	<u>101,862</u>	<u>98,907</u>	<u>99,554</u>

Note: Certain figures in the comparative period had been reclassified to conform to current period's presentation.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

AMOUNT REPAYABLE IN ONE YEAR OR LESS, OR ON DEMAND

As at 28 February 2007		As at 31 August 2006	
Secured	Unsecured	Secured	Unsecured
\$1,360,000	nil	\$1,360,000	nil

AMOUNT REPAYABLE AFTER ONE YEAR

As at 28 February 2007		As at 31 August 2006	
Secured	Unsecured	Secured	Unsecured
\$7,760,000	nil	\$8,440,000	nil

Details of any collateral

The bank borrowings for the Company are secured by a first legal mortgage over the property located at 339 Thomson Road in Singapore.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flow Statements for the:-

	Half Year Ended	
	28 February 2007 \$'000	28 February 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	5,228	4,137
Adjustment for :		
Depreciation of property and equipment	1,341	1,307
Dividend income	-	(1)
Interest expense	223	202
Interest income	(178)	(85)
Gain on disposal of available-for-sale investments	-	(12)
Gain on disposal of associated company	(621)	-
Loss in fair value of derivative financial instrument	41	-
Loss on disposal of property and equipment	9	6
Property and equipment written off	4	-
Share of associated company result	-	250
Operating profit before working capital changes	6,047	5,804
(Increase)/ Decrease in inventory	(11)	3
Increase in operating receivables	(1,168)	(538)
Increase/ (Decrease) in operating payables	503	(721)
Cash generated from operations	5,371	4,548
Interest paid	(230)	(202)
Income taxes paid	(992)	(706)
NET CASH INFLOW FROM OPERATING ACTIVITIES	4,149	3,640
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(3,746)	(1,492)
Interest received	178	85
Dividends received	-	1
Proceeds from disposal of property and equipment	67	16
Proceeds from disposal of available-for-sale investments	-	53
Proceeds from disposal of associated company	950	-
NET CASH USED IN INVESTING ACTIVITIES	(2,551)	(1,337)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan from associated company	1,000	-
Repayment of bank borrowings	(680)	(680)
Repayment of finance lease obligations	(83)	(96)
Dividends paid	(3,253)	(2,654)
Increase in pledged deposits	(129)	-
Capital contribution from minority shareholders of a subsidiary	-	147
NET CASH USED IN FINANCING ACTIVITIES	(3,145)	(3,283)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,547)	(980)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,028	10,958
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,481	9,978

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statements of Changes in Shareholders' Equity

THE GROUP

	← Attributable to equity holders of the Company →						Total equity \$'000
	Share capital \$'000	Share premium \$'000	Revaluation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Minority interests \$'000	
Balance at 1 September 2005	31,852	5,612	27,688	-	5,334	-	70,486
Effect of Companies' (Amendment) Act 2005	5,612	(5,612)	-	-	-	-	-
As restated	37,464	-	27,688	-	5,334	-	70,486
Net profit for the period	-	-	-	-	3,295	(7)	3,288
Net fair value changes on available-for-sale investments	-	-	-	15	-	-	15
Dividends paid	-	-	-	-	(2,654)	-	(2,654)
Acquisition of a subsidiary	-	-	-	-	-	147	147
Balance at 28 February 2006	37,464	-	27,688	15	5,975	140	71,282
Balance at 1 September 2006	37,464	-	32,657	9	8,181	131	78,442
Net profit for the period	-	-	-	-	4,441	(9)	4,432
Net fair value changes on available-for-sale investments	-	-	-	3	-	-	3
Dividends paid	-	-	-	-	(3,253)	-	(3,253)
Balance at 28 February 2007	37,464	-	32,657	12	9,369	122	79,624

	Share capital \$'000	Share premium \$'000	Revaluation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Minority interests \$'000	Total equity \$'000
	THE COMPANY						
Balance at 1 September 2005	31,852	5,612	27,688	-	6,163	-	71,315
Effect of Companies' (Amendment) Act 2005	5,612	(5,612)	-	-	-	-	-
As restated	37,464	-	27,688	-	6,163	-	71,315
Net profit for the period	-	-	-	-	2,981	-	2,981
Net fair value changes on available-for-sale investments	-	-	-	15	-	-	15
Dividends paid	-	-	-	-	(2,654)	-	(2,654)
Balance at 28 February 2006	37,464	-	27,688	15	6,490	-	71,657
Balance at 1 September 2006	37,464	-	32,657	9	7,920	-	78,050
Net profit for the period	-	-	-	-	3,143	-	3,143
Net fair value changes on available-for-sale investments	-	-	-	3	-	-	3
Dividends paid	-	-	-	-	(3,253)	-	(3,253)
Balance at 28 February 2007	37,464	-	32,657	12	7,810	-	77,943

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year

On 19 January 2007, 26,543,400 Bonus Shares have been allotted and issued on the basis of one (1) Bonus Share for every ten (10) existing ordinary share held by the shareholders of the Company as at 16 January 2007.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing SSRE 2400 (Engagements to Review Financial Statements, or an equivalent standard)

The figures have not been audited or reviewed in accordance with the Singapore Standard on Auditing SSRE 2400 (Engagements To Review Financial Statements) .

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

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted all the Singapore Financial Reporting Standards ("FRS") that are mandatory for financial year beginning on or after 1 January 2006.

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 August 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately financial year, after deducting any provision for preference dividends

	Group	
	Half Year Ended	
	28 February 2007	28 February 2006 (Restated)
Earnings per ordinary share (cents) :		
Based on basic and fully diluted basis	1.52	1.13

Earnings per share for 1H2007 has been computed based on 291,977,434 ordinary shares in issue during the year. The number of shares as at 28.2.2006 has been adjusted for the bonus issue as if they are issued on 1.9.2005.

	28 February 2007 \$'000	28 February 2006 \$'000
Basic earnings per share		
Net Profit After Tax and Minority Interests	4,441	3,295
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Number of shares issued		
Ordinary Shares	265,434,034	265,434,034
Bonus Shares	26,543,400	26,543,400
Total Shares	291,977,434	291,977,434

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 28 February 2007	As At 31 August 2006	As at 28 February 2007	As At 31 August 2006
Net asset value per ordinary share (cents)	27.23	29.50	26.69	29.40

Net asset value per ordinary share as at 28 February 2007 and 31 August 2006 have been computed based on 291,977,434 ordinary shares and 265,434,034 ordinary shares respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Profit and Loss Statement

Revenue

The Group's revenue for the half year ended 28 February 2007 ("1H2007") increased 7.8% to \$24.3 million from \$22.5 million in 1H2006 due to the increased contribution from both its hospital operations and ancillary services and specialised and other services business segments.

Its hospital, Thomson Medical Centre continues to see an increase in patient referrals from its tenant specialists, peripheral specialists and its network of Thomson Women's Clinics. The Group has completed the physical upgrading of two of its inpatient wards. Despite the closure of the two wards for renovation, the hospital continued to see an increase in number of deliveries and inpatient admission compared to the same period last year. Revenue from hospital operations and ancillary services is \$19.6 million, which is a 6.2% increase from \$18.4 million in 1H2006.

Revenue from specialised and other services increased 15.1% to \$4.7 million from \$4.1 million in 1H2006, mainly due to increased contribution from Thomson Women's Clinics and Thomson International Health Services. Our Thomson Women's Clinics continued to contribute positively to the Group's earnings in the period under review. The hospital consultancy project in Vietnam has progressed as scheduled and the Group has started to recognise the fees of approximately \$0.2 million for its consultancy services in 1H2007.

Net Profit after Tax

The Group's net profit after tax rose significantly by 34.8% to \$4.4 million from \$3.3 million in 1H2006. The increase was mainly due to higher revenue generated from the operating activities of the Group, gain from the sale of associated company and higher other operating income.

Other operating income increased by 179.8% to \$1.1 million from \$0.4 million in 1H2006. Apart from the gain on sale of associated company, the other operating income includes higher interest earned from fixed deposit placements and fees received from its First Born Incentive ("FBI") and Subsequent Born Incentive ("SBI") membership.

The taxation charge for 1H2007 of \$0.8 million was marginally lower than 1H2006. The lower taxation charge was due to the lower corporate tax rate with effect from YA2008 at 18% and a higher tax exemption on the chargeable income as announced in the Singapore Budget 2007.

Consolidated Balance Sheet

Shareholders' Equity

The Group's shareholders' equity increased to \$79.6 million as at 28 February 2007 from \$78.4 million as at 31 August 2006 as a result of higher earnings. The profit contribution for the period amounted to \$4.4 million. The Group has paid final and special dividends of \$3.3 million for FY2006 during the period under review.

Bank Borrowings

The Group continued to reduce its bank borrowings with the repayment of \$0.7 million in the period under review. Consequently, bank borrowings reduced to \$9.1 million as of 28 February 2007 compared to \$9.8 million as of 31 August 2006.

Liquidity

The Group remains in a strong financial position with a cash balance of \$12.6 million as at 28 February 2007 compared to \$10.0 million as at same period last year.

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

The current year's results are in line with the Directors' expectations as disclosed in the Group's full year 2006 results announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Hospital Operations and Ancillary Services

The Group has completed its renovation to two of its inpatient wards. During the renovation, there were phased closure of the wards to minimise inconvenience to the patients. Despite the closure, the Group is pleased to note that its number of deliveries and inpatient admission continued to do better compared to same period last year. Our newly renovated inpatient wards are designed and well appointed to complement premium clinical patient care with a more conducive and relaxing ambience.

The Group will enhance its own pro-family programmes by introducing new and relevant services to provide better benefits to our patients. To provide a continuum of support for both parents and their young children, the Group will be launching its Junior Angels Club in April 2007, with activities aimed at stimulating the physical, intellectual and social development of children.

The Group will be relocating its administrative office to another location within close proximity to the hospital. The vacated administrative area will be converted to medical suites to attract specialists to practice in the hospital. With more tenant specialists, the Group expects the utilization of its hospital facilities and services to increase.

Specialised and Other Services

The Group expects its Thomson Women's Clinics and Thomson Fertility Centre to continue to contribute positively. The Group will pursue opportunities to expand its clinic network of Thomson Women's Clinics in Singapore and will continue to intensify regional marketing activities and strategic collaboration with regional doctors and partners.

The Group's hospital consultancy project in Vietnam is progressing well. The piling works for the 260-bed Hanh Phuc International Women and Children Hospital is expected to complete on schedule in April 2007. The main building tender for the project has been called and is expected to be awarded in May 2007. The Group will recognise its consultancy fees as the project progresses.

The Group will continue to seek other healthcare opportunities in Vietnam together with our client, Hanh Phuc International Women & Children Hospital Joint Stock Company.

With the improving economic environment in Singapore and the region, coupled with the Government's recent announcement to review their marriage and procreation incentives and invest even more in pro-family initiatives, the Directors remain optimistic that the Group's activities will continue to perform positively in the second half of FY2007, barring any unforeseen circumstances.

11. Dividend

(a) Current financial Period Reported On

Any dividend declared for the current financial period reported on?

1.	Name of Dividend	:	Interim
	Dividend type	:	Cash
	Dividend amount	:	0.75 cents per ordinary share (net of tax)
	Tax rate	:	18%
2.	Name of Dividend	:	Special Interim
	Dividend type	:	Cash
	Dividend amount	:	0.75 cents per ordinary share (net of tax)
	Tax rate	:	18%

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	:	Interim
Dividend type	:	Cash
Dividend amount	:	0.5 cents per ordinary share (net of tax)
Tax rate	:	20%

(c) Date Payable

The Interim and Special Interim Dividends approved by the directors will be made payable on 10 May 2007.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed from 26 April 2007 after 5.00 pm to 27 April 2007, both dates inclusive, for the purpose of determining shareholders' entitlement to the following dividends:

1.	Name of Dividend	:	Interim
	Dividend type	:	Cash
	Dividend amount	:	0.75 cents per ordinary share (net of tax)
	Tax rate	:	18%

2.	Name of Dividend	:	Special Interim
	Dividend type	:	Cash
	Dividend amount	:	0.75 cents per ordinary share (net of tax)
	Tax rate	:	18%

Duly stamped and completed transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 47 Hill Street, #06-02, Singapore Chinese Chamber of Commerce & Industry Building, Singapore 179365 up to 5.00 p.m. on 26 April 2007 will be registered to determine shareholders' entitlements to the said Interim and Special Interim Dividends. In this respect, the said Interim and Special Interim Dividends will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

12. If no dividend have been declared/recommended, a statement to that effect.

Not applicable.

13. Confirmation pursuant to Rule 705(4) of the SGX Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the first half year ended 28 February 2007 to be false or misleading in any material respect.

On behalf of the board of directors

Dr Cheng Wei Chen
Executive Chairman

Dr Cheng Li Chang
Executive Deputy Chairman

BY ORDER OF THE BOARD

Dr Cheng Wei Chen
Executive Chairman

10 April 2007