

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

Half Year Financial Statement Announcement for the Period Ended 28 February 2009

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF – YEAR AND FULL YEAR RESULTS

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

Consolidated Profit and Loss Statement for the:

	Second Quarter Ended			Year-To-Date		
	28 February 2009	29 February 2008	Change	28 February 2009	29 February 2008	Change
	\$'000	\$'000	%	\$'000	\$'000	%
REVENUE	15,599	14,616	6.7	31,992	29,536	8.3
Cost of sales	(8,846)	(7,933)	11.5	(18,146)	(16,351)	11.0
GROSS PROFIT	6,753	6,683	1.0	13,846	13,185	5.0
Other operating income	555	208	166.8	881	423	108.3
Administration expenses	(2,280)	(2,064)	10.5	(4,729)	(4,118)	14.8
Other operating expenses	(1,304)	(1,259)	3.6	(2,630)	(2,440)	7.8
Finance costs	(45)	(86)	(47.7)	(84)	(181)	(53.6)
PROFIT BEFORE TAXATION	3,679	3,482	5.7	7,284	6,869	6.0
Taxation	(627)	(554)	13.2	(1,390)	(1,251)	11.1
PROFIT FOR THE QUARTER/PERIOD	3,052	2,928	4.2	5,894	5,618	4.9
Attributable to:						
Equity holders of the parent	3,074	2,934	4.8	5,925	5,625	5.3
Minority interests	(22)	(6)	266.7	(31)	(7)	342.9
	3,052	2,928	4.2	5,894	5,618	4.9
Net Profit margin (%)	19.6	20.0		18.4	19.0	
Profit before taxation includes the following:						
Allowance for impairment on trade receivables	(39)	-		(58)	-	
Depreciation of property and equipment	(808)	(732)		(1,617)	(1,438)	
Interest income	17	49		42	108	
Property and equipment written off	(42)	(11)		(44)	(13)	
Share option expense	(80)	(33)		(187)	(71)	

Note:

- (1) There is no share of associate results as the share of losses has exceeded the cost of investment.
- (2) Included in Taxation is an amount of \$92,000 in respect of under provision of tax for prior years.
- (3) Included in Other Operating Income is an amount of \$193,000 Jobs Credit given under the Resilience Package of Budget 2009.
- (4) Comparative figures for administration expenses and other operating expenses have been reclassified to conform with current period's presentation.

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 2009	31 August 2008	28 February 2009	31 August 2008
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non Current Assets				
Goodwill	146	146	-	-
Property and equipment	107,024	109,028	105,337	108,193
Subsidiaries	-	-	1,527	1,527
Associate	-	-	-	-
	107,170	109,174	106,864	109,720
Current Assets				
Inventory, at cost	953	951	728	750
Trade and other receivables	3,465	4,112	4,299	4,281
Deposits and prepayments	1,015	915	864	754
Pledged deposits	211	170	136	155
Cash and bank balances	14,468	15,400	7,751	9,561
	20,112	21,548	13,778	15,501
TOTAL ASSETS	127,282	130,722	120,642	125,221
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	37,464	37,464	37,464	37,464
Reserves	52,723	56,536	52,723	56,536
Retained earnings	16,963	15,418	13,357	12,547
Equity attributable to shareholders	107,150	109,418	103,544	106,547
Minority interests	46	77	-	-
Total equity	107,196	109,495	103,544	106,547
LIABILITIES				
Non Current Liabilities				
Bank borrowings (secured)	2,040	2,720	2,040	2,720
Deferred taxation	1,617	1,640	1,544	1,575
	3,657	4,360	3,584	4,295
Current Liabilities				
Trade and other payables	13,723	12,895	10,942	10,675
Obligations under finance leases	9	66	9	66
Current tax payable	1,337	2,546	1,203	2,278
Bank borrowings (secured)	1,360	1,360	1,360	1,360
	16,429	16,867	13,514	14,379
TOTAL EQUITY AND LIABILITIES	127,282	130,722	120,642	125,221

Note:

- (1) There is no share of associate results as the share of losses of the associate has exceeded the cost of investment.

	Group		Company	
	28 February 2009	31 August 2008	28 February 2009	31 August 2008
	\$'000	\$'000	\$'000	\$'000
Unquoted equity investment, at cost	50	50	50	50
Allowance for impairment loss	-	-	(50)	(50)
Share of post-acquisition accumulated losses	(50)	(50)	-	-
	-	-	-	-

- (2) Comparative figures for trade and other receivables and trade and other payables have been reclassified to conform with 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 2009		As at 31 August 2008	
Secured	Unsecured	Secured	Unsecured
\$1,369,000	nil	\$1,426,000	nil

AMOUNT REPAYABLE AFTER ONE YEAR

As at 28 February 2009		As at 31 August 2008	
Secured	Unsecured	Secured	Unsecured
\$2,040,000	nil	\$2,720,000	nil

Details of any collateral

The Group's borrowings comprise term loan and obligations under finance leases. Term loan is 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 2009	29 February 2008
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	7,284	6,869
Adjustments for :		
Depreciation of property and equipment	1,617	1,438
Share option expense	187	71
Interest expense	84	181
Interest income	(42)	(108)
Allowance for impairment of trade receivables	58	-
Loss on disposal of property and equipment	-	1
Property and equipment written off	44	13
Operating profit before working capital changes	9,232	8,465
(Increase)/decrease in inventory	(2)	33
Decrease/(increase) in operating receivables	590	(387)
Increase in deposits and prepayments	(100)	(223)
(Decrease)/increase in operating payables	(714)	205
Cash generated from operations	9,006	8,093
Income taxes paid	(2,621)	(1,597)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,385	6,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,117)	(799)
Proceeds from disposal of property and equipment	-	1
Interest received	42	108
NET CASH USED IN INVESTING ACTIVITIES	(2,075)	(690)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(680)	(680)
Repayment of finance lease obligations	(57)	(57)
Interest paid	(84)	(191)
Dividends paid	(4,380)	(2,920)
Increase in pledged deposits	(41)	-
NET CASH USED IN FINANCING ACTIVITIES	(5,242)	(3,848)
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(932)	1,958
CASH AND BANK BALANCES AT BEGINNING OF PERIOD	15,400	15,133
CASH AND BANK BALANCES AT END OF PERIOD	14,468	17,091

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 of the immediately preceding financial year

**Statements of Changes in Shareholders' Equity
THE GROUP**

	Attributable to equity holders of the Company					Total equity
	Share capital	Revaluation reserve	Share option reserve	Retained earnings	Minority interests	
(\$'000)						
Balance at 1 September 2007	37,464	45,125	-	10,059	121	92,769
Employee share option scheme - value of employee services	-	-	71	-	-	71
Net gain recognised directly in equity	-	-	71	-	-	71
Net profit for the period	-	-	-	5,625	(7)	5,618
Total recognised income and expenses for the period	-	-	71	5,625	(7)	5,689
Dividends paid	-	-	-	(2,920)	-	(2,920)
Balance at 29 February 2008	37,464	45,125	71	12,764	114	95,538
Balance at 1 September 2008	37,464	56,386	150	15,418	77	109,495
Asset revaluation deficit	-	(4,000)	-	-	-	(4,000)
Employee share option scheme - value of employee services	-	-	187	-	-	187
Net gain recognised directly in equity	-	(4,000)	187	-	-	(3,813)
Net profit for the period	-	-	-	5,925	(31)	5,894
Total recognised income and expenses for the period	-	(4,000)	187	5,925	(31)	2,081
Dividends paid	-	-	-	(4,380)	-	(4,380)
Balance at 28 February 2009	37,464	52,386	337	16,963	46	107,196

THE COMPANY

	Attributable to equity holders of the Company					Total equity
	Share capital	Revaluation reserve	Share option reserve	Retained earnings	Minority interests	
(\$'000)						
Balance at 1 September 2007	37,464	45,125	-	8,535	-	91,124
Employee share option scheme - value of employee services	-	-	71	-	-	71
Net gain recognised directly in equity	-	-	71	-	-	71
Net profit for the period	-	-	-	4,868	-	4,868
Total recognised income and expenses for the period	-	-	71	4,868	-	4,939
Dividends paid	-	-	-	(2,920)	-	(2,920)
Balance at 29 February 2008	37,464	45,125	71	10,483	-	93,143
Balance at 1 September 2008	37,464	56,386	150	12,547	-	106,547
Asset revaluation deficit	-	(4,000)	-	-	-	(4,000)
Employee share option scheme - value of employee services	-	-	187	-	-	187
Net gain recognised directly in equity	-	(4,000)	187	-	-	(3,813)
Net profit for the period	-	-	-	5,190	-	5,190
Total recognised income and expenses for the period	-	(4,000)	187	5,190	-	1,377
Dividends paid	-	-	-	(4,380)	-	(4,380)
Balance at 28 February 2009	37,464	52,386	337	13,357	-	103,544

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

As at 28 February 2009, there were 7,848,000 (29 February 2008: 3,113,000) unexercised share options. 570,000 (29 February 2008: 66,000) share options have lapsed during the quarter ended 28 February 2009.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 28 February 2009	As at 31 August 2008
Weighted average number of ordinary shares	291,977,434	291,977,434
Adjustment for potential dilutive ordinary shares	-	1,093,423
Weighted average number of ordinary shares	291,977,434	293,070,857

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 2410 (Review of Interim Financial Information Performed by the Independent Auditor of the Entity).

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 applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 August 2008.

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

	Second Quarter		Year-To-Date	
	28 February 2009	29 February 2008	28 February 2009	29 February 2008
Earnings per ordinary share (cents) :				
Based on basic basis ⁽¹⁾	1.05	1.00	2.03	1.92
Based on fully diluted basis ⁽²⁾	1.05	1.00	2.03	1.92

- (1) Earnings per share for the half year ended 28 February 2009 and 29 February 2008 have been computed based on 291,977,434 ordinary shares.
- (2) Diluted earnings per share for the half year ended 28 February 2009 and 29 February 2008 have been computed based on the weighted average number of shares which amounted to 291,977,434 and 292,478,026 ordinary shares respectively. There is no potential dilutive ordinary shares for the half year ended 28 February 2009 as the average market price is below the option exercise price.

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	As at	As at	As at
	28 February 2009	31 August 2008	28 February 2009	31 August 2008
Net asset value per ordinary share (cents)	36.70	37.47	35.46	36.49

Net asset value per ordinary share as at 28 February 2009 and 31 August 2008 have been computed based on 291,977,434 ordinary shares.

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 2nd quarter ended 28 February 2009 ("Q2 FY2009") increased by 6.7% to \$15.60 million from \$14.62 million for the 2nd quarter ended 29 February 2008 ("Q2 FY2008"). This is due to the good performance from both the Hospital Operations and Ancillary Services and Specialised and Other Services Business segments.

Revenue from Hospital Operations and Ancillary Services increased by 4.4% or \$0.51 million from \$11.67 million in Q2 FY2008 to \$12.18 million in Q2 FY2009. The Group has recorded improved performance by 17.6% in gynaecology services as compared to Q2 FY2008. Our diagnostic imaging and fetal assessment services continue to perform well and have recorded 11.6% increase in revenue as compared to Q2 FY2008. Number of babies delivered amounted to 2,038 for Q2 FY2009, a slight decrease as compared to Q2 FY2008. However, with the increase in our Q1 FY2009 baby deliveries, our overall obstetrics revenue has recorded a cumulative increase of 6.1% for 1H FY2009 compared to 1H FY2008.

Revenue from Specialised and Other Services increased by 15.9% or \$0.47 million from \$2.95 million in Q2 FY2008 to \$3.42 million in Q2 FY2009 as a result of increased patient load in the Group's network of Thomson Women's Clinics. Thomson Women's Clinic at AMK Hub, which was operational since March 2008, has also contributed positively to the Group's revenue in Q2 FY2009. Thomson Aesthetics Centre and Thomson Fertility Centre have also contributed positively to the Group's revenue during the quarter.

The commencement of Thomson Women Cancer Centre ("TWCC") has contributed revenue to the Group in both Hospital Operations and Ancillary Services and Specialised and Other Services business segments.

Net Profit After Tax

Net Profit after Tax ("NPAT") for Q2 FY2009 was \$3.05 million, which is slightly higher than Q2 FY2008 of \$2.93 million.

Other operating income increased by \$0.35 million compared to Q2 FY2008. This includes an amount of \$0.19 million of Jobs Credit given under the Resilience Package of Budget 2009.

Administration expenses increased by \$0.22 million or 10.5% to \$2.28 million in Q2 FY2009 from \$2.06 million in Q2 FY2008 mainly due to higher administrative manpower costs.

Other operating expenses increased by \$0.05 million in Q2 FY2009 mainly due to higher depreciation charge incurred for current quarter as a result of the renovation of Level 3 and 6 of the hospital and offsite offices as well as clinics.

Consolidated Balance Sheet

Shareholders' Equity

The Group's shareholders' equity decreased to \$107.15 million as at 28 February 2009 from \$109.42 million as at 31 August 2008, mainly as a result of the revaluation deficit of the property located at 339 Thomson Road in Singapore as well as payment of dividends. This decrease is partly offset by the operating profit recorded for the period.

Current Assets

The Group's current assets decreased by \$1.44 million from \$21.55 million to \$20.11 million as at 31 August 2008 and 28 February 2009 respectively mainly as a result of decrease in cash and bank balances as well as collection of outstanding receivables.

Bank Borrowings

Bank borrowings has been reduced by the repayment of \$0.68 million during the period as scheduled.

Current Liabilities

Higher payables as at 28 February 2009 as compared to 31 August 2008 was mainly due to the increase in payable to vendors as a result of the renovation of inpatient wards and new clinic for Thomson Women Cancer Centre.

Liquidity

The Group remains in a strong financial position with a cash and bank balance of \$14.5 million as at 28 February 2009.

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

The current financial period's results are in line with the Directors' expectations as disclosed in the Group's Q1 FY2009 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

The Group has completed renovation of the first phase of Level 5 inpatient ward in Q2 FY2009. The second phase is currently in progress and is expected to complete by mid April 2009. The renovation to all our inpatient wards would be fully completed upon the completion of Level 5.

Another senior O&G consultant has commenced her practice in our hospital premises with effect from 1 April 2009.

Our Thomson Women Cancer Centre ("TWCC"), located in Novena Medical Centre is a joint venture between the Company and Drs Tay Eng Hseon, Denis Cheong, and Low Sze Chuan. TWCC has commenced operation on 27 February 2009. TWCC is dedicated to the prevention, diagnosis and treatment of breast, gynaecological and colorectal tumours in women. The establishment of TWCC is in line with the Group's objective to grow organically in the management of women's health. The Group aims to market its oncology services and to serve patients locally as well as regionally.

Our most recently established TWC AMK Hub has continued to see increased patient load and provide healthy patient referrals to the hospital. The Group will continue to work in partnership with specialists to provide efficient and effective services to our patients.

Hanh Phuc International Women and Children Hospital, the Group's consultancy project in Binh Duong Province in Vietnam, is progressing as planned. The hospital is targeted to be completed in the third quarter of year 2009. The hospital commissioning is scheduled to take place from June 2009. The hospital is scheduled to commence operation by Q1 2010, upon which, the hospital management services contract will take effect.

The current global financial outlook and economic conditions remain challenging. The Group however believed that there is still strong demand for quality healthcare services. Recognising this challenging economic climate, the Group will ensure its pricing of services remain competitive and affordable to its patients. Barring unforeseen circumstances, the Board of Directors expects the Group to remain profitable in FY2009.

11. Dividend

(a) Current financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	:	1 st Interim Ordinary
Dividend type	:	Cash
Dividend amount	:	1.0 cent per ordinary share (one-tier)
Tax rate	:	Tax exempt

(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	:	1 st Interim Ordinary
Dividend type	:	Cash
Dividend amount	:	1.0 cent per ordinary share (one-tier tax)
Tax rate	:	Tax exempt

(c) Date Payable

The Directors have declared a First Interim Dividend in respect of the half year ended 28 February 2009, payable on 7 May 2009.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed from 22 April 2009 after 5.00 p.m. to 23 April 2009 for the purpose of determining the shareholders' entitlement to the First Interim Dividend.

Duly stamped and completed transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., of 333 North Bridge Road, #08-00, KH KEA Building, Singapore 188721 up to 5.00 p.m. on 22 April 2009 will be registered to determine the shareholders' entitlement to the First Interim Dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlement to the CDP account holders in accordance with its normal practice.

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 consolidated financial statements of the Group and the unaudited balance sheet and statement of changes in shareholders' equity of the Company for the first half year ended 28 February 2009 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Dr Cheng Wei Chen
Executive Chairman

7 April 2009