

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

**Financial Statement Announcement for the Period Ended 31 May 2010**

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

**1(a) A statement of comprehensive income (for the group) together with a comparative statement for the preceding financial year**

|   | Third Quarter Ended |               |             | Year-To-Date  |               |              |
|---|---------------------|---------------|-------------|---------------|---------------|--------------|
|   | 31 May 2010         | 31 May 2009   | Change      | 31 May 2010   | 31 May 2009   | Change       |
|   | \$'000              | \$'000        | %           | \$'000        |               | %            |
| <b>REVENUE</b>  | <b>21,831</b>       | <b>17,408</b> | <b>25.4</b> | <b>59,492</b> | <b>49,400</b> | <b>20.4</b>  |
| Cost of sales   | (12,069)            | (9,969)       | 21.1        | (33,766)      | (28,115)      | 20.1         |
| <b>GROSS PROFIT</b>                                   | <b>9,762</b>        | <b>7,439</b>  | <b>31.2</b> | <b>25,726</b> | <b>21,285</b> | <b>20.9</b>  |
| Other operating income                                | 396                 | 626           | (36.7)      | 1,454         | 1,507         | (3.5)        |
| Administrative expenses                               | (2,568)             | (2,432)       | 5.6         | (7,844)       | (7,161)       | 9.5          |
| Other operating expenses                              | (1,708)             | (1,398)       | 22.2        | (4,643)       | (4,028)       | 15.3         |
| Finance costs   | 36                  | (31)          | (216.1)     | (12)          | (115)         | (89.6)       |
| <b>PROFIT BEFORE TAXATION</b>                         | <b>5,918</b>        | <b>4,204</b>  | <b>40.8</b> | <b>14,681</b> | <b>11,488</b> | <b>27.8</b>  |
| Taxation  | (1,014)             | (787)         | 28.8        | (2,587)       | (2,177)       | 18.8         |
| <b>PROFIT AFTER TAX FOR THE PERIOD</b>                | <b>4,904</b>        | <b>3,417</b>  | <b>43.5</b> | <b>12,094</b> | <b>9,311</b>  | <b>29.9</b>  |
| Other comprehensive loss - Asset revaluation deficit  | -                   | -             | N.M         | -             | (4,000)       | N.M          |
| <b>Total comprehensive income for the period</b>      | <b>4,904</b>        | <b>3,417</b>  | <b>43.5</b> | <b>12,094</b> | <b>5,311</b>  | <b>127.7</b> |
| <b>Profit attributable to:</b>                        |                     |               |             |               |               |              |
| Equity holders of the Company                         | 4,794               | 3,456         | 38.7        | 11,848        | 9,381         | 26.3         |
| Non-controlling interests                             | 110                 | (39)          | (382.1)     | 246           | (70)          | (451.4)      |
|   | <b>4,904</b>        | <b>3,417</b>  | <b>43.5</b> | <b>12,094</b> | <b>9,311</b>  | <b>29.9</b>  |
| <b>Total comprehensive income attributable to:</b>    |                     |               |             |               |               |              |
| Equity holders of the Company                         | 4,794               | 3,456         | 38.7        | 11,848        | 5,381         | 120.2        |
| Non-controlling interests                             | 110                 | (39)          | (382.1)     | 246           | (70)          | (451.4)      |
|   | <b>4,904</b>        | <b>3,417</b>  | <b>43.5</b> | <b>12,094</b> | <b>5,311</b>  | <b>127.7</b> |
| Net Profit margin (%)                                 | 22.5                | 19.6          |             | 20.3          | 18.8          |              |
| <b>Profit before taxation includes the following:</b> |                     |               |             |               |               |              |
| Allowance for impairment of trade receivables         | (12)                | (18)          |             | (12)          | (76)          |              |
| Depreciation of property and equipment                | (944)               | (861)         |             | (2,788)       | (2,478)       |              |
| Interest income                                       | 15                  | 10            |             | 56            | 52            |              |
| Loss on disposal of property and equipment            | -                   | (2)           |             | -             | (2)           |              |
| Property and equipment written off                    | (3)                 | -             |             | (4)           | (44)          |              |
| Share option expense                                  | (76)                | (101)         |             | (262)         | (288)         |              |

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**

|   | Group                 |                       | Company               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 31 May 2010           | 31 August 2009        | 31 May 2010           | 31 August 2009        |
|   | \$'000                | \$'000                | \$'000                | \$'000                |
| <b>ASSETS</b>                                 |                       |                       |                       |                       |
| <b>Non Current Assets</b>                     |                       |                       |                       |                       |
| Goodwill                                      | 146                   | 146                   | -                     | -                     |
| Property and equipment                        | 105,678               | 106,922               | 104,155               | 105,229               |
| Subsidiaries                                  | -                     | -                     | 1,657                 | 1,577                 |
|   | <u>105,824</u>        | <u>107,068</u>        | <u>105,812</u>        | <u>106,806</u>        |
| <b>Current Assets</b>                         |                       |                       |                       |                       |
| Inventories, at cost                          | 1,153                 | 1,163                 | 786                   | 930                   |
| Trade and other receivables                   | 3,939                 | 3,492                 | 6,443                 | 4,583                 |
| Deposits and prepayments                      | 826                   | 773                   | 604                   | 611                   |
| Fixed deposits                                | 10,836                | 10,726                | 7,988                 | 8,000                 |
| Cash and bank balances                        | 13,678                | 9,841                 | 4,575                 | 4,306                 |
|   | <u>30,432</u>         | <u>25,995</u>         | <u>20,396</u>         | <u>18,430</u>         |
| <b>TOTAL ASSETS</b>                           | <b><u>136,256</u></b> | <b><u>133,063</u></b> | <b><u>126,208</u></b> | <b><u>125,236</u></b> |
| <b>EQUITY AND LIABILITIES</b>                 |                       |                       |                       |                       |
| <b>Capital and Reserves</b>                   |                       |                       |                       |                       |
| Share capital                                 | 37,552                | 37,464                | 37,552                | 37,464                |
| Reserves                                      | 53,190                | 52,928                | 53,190                | 52,928                |
| Retained earnings                             | 23,996                | 20,910                | 18,156                | 16,613                |
| Attributable to equity holders of the company | <u>114,738</u>        | <u>111,302</u>        | <u>108,898</u>        | <u>107,005</u>        |
| Non-controlling interests                     | 267                   | 1                     | -                     | -                     |
| Total equity                                  | 115,005               | 111,303               | 108,898               | 107,005               |
| <b>LIABILITIES</b>                            |                       |                       |                       |                       |
| <b>Non Current Liabilities</b>                |                       |                       |                       |                       |
| Bank borrowings (secured)                     | 340                   | 1,360                 | 340                   | 1,360                 |
| Deferred taxation                             | 1,668                 | 1,674                 | 1,605                 | 1,616                 |
|   | <u>2,008</u>          | <u>3,034</u>          | <u>1,945</u>          | <u>2,976</u>          |
| <b>Current Liabilities</b>                    |                       |                       |                       |                       |
| Trade and other payables                      | 14,897                | 15,113                | 11,213                | 11,886                |
| Current tax payable                           | 2,986                 | 2,253                 | 2,792                 | 2,009                 |
| Bank borrowings (secured)                     | 1,360                 | 1,360                 | 1,360                 | 1,360                 |
|   | <u>19,243</u>         | <u>18,726</u>         | <u>15,365</u>         | <u>15,255</u>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>           | <b><u>136,256</u></b> | <b><u>133,063</u></b> | <b><u>126,208</u></b> | <b><u>125,236</u></b> |

Note:

- (1) There was no share of losses of the associate being recognized as at balance sheet date 31 August 2009 because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The associate was liquidated on 8 October 2009.

|  | Group       |                | Company     |                |
|--|-------------|----------------|-------------|----------------|
|  | 31 May 2010 | 31 August 2009 | 31 May 2010 | 31 August 2009 |
|  | \$'000      | \$'000         | \$'000      | \$'000         |
| Unquoted equity investment, at cost          | -           | 50             | -           | 50             |
| Allowance for impairment loss                | -           | -              | -           | (50)           |
| Share of post-acquisition accumulated losses | -           | (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 31 May 2010 |           | As at 31 August 2009 |           |
|-------------------|-----------|----------------------|-----------|
| Secured           | Unsecured | Secured              | Unsecured |
| \$1,360,000       | nil       | \$1,360,000          | nil       |

**AMOUNT REPAYABLE AFTER ONE YEAR**

| As at 31 May 2010 |           | As at 31 August 2009 |           |
|-------------------|-----------|----------------------|-----------|
| Secured           | Unsecured | Secured              | Unsecured |
| \$340,000         | nil       | \$1,360,000          | 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 Statement of Cash Flows for the:-**

|   | Period Ended |             |
|---|--------------|-------------|
|   | 31 May 2010  | 31 May 2009 |
|   | \$'000       | \$'000      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |              |             |
| Profit Before Taxation  | 14,681       | 11,488      |
| Adjustments for :   |              |             |
| Depreciation of property and equipment                          | 2,788        | 2,478       |
| Employee share option expense                                   | 262          | 288         |
| Interest expense  | 12           | 115         |
| Interest income   | (56)         | (52)        |
| Property and equipment written off                              | 4            | 44          |
| Loss on disposal of property and equipment                      | -            | 2           |
| Allowance for impairment of trade receivables                   | 12           | 76          |
| Operating profit before working capital changes                 | 17,703       | 14,439      |
| Decrease/(Increase) in inventories                              | 11           | (195)       |
| (Increase)/Decrease in operating receivables                    | (425)        | 251         |
| (Increase)/Decrease in deposits and prepayment                  | (54)         | 24          |
| (Decrease)/Increase in operating payables                       | (153)        | 996         |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>             | 17,082       | 15,515      |
| Income taxes paid   | (1,861)      | (3,226)     |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>             | 15,221       | 12,289      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |              |             |
| Proceeds from employee share option scheme                      | 88           | -           |
| Acquisition of property and equipment                           | (1,547)      | (4,029)     |
| Interest received   | 23           | 52          |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                    | (1,436)      | (3,977)     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |              |             |
| Repayment of bank borrowings                                    | (1,020)      | (1,020)     |
| Dividends paid  | (8,762)      | (7,299)     |
| Interest paid   | (76)         | (117)       |
| Capital contribution from minority shareholders of a subsidiary | 20           | -           |
| Repayment of finance lease obligations                          | -            | (66)        |
| Increase in pledged deposits                                    | -            | (41)        |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                    | (9,838)      | (8,543)     |
| <b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>    | 3,947        | (231)       |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>         | 20,356       | 15,400      |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>               | 24,303       | 15,169      |

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise the following:

|                        |        |        |
|------------------------|--------|--------|
| Cash and bank balances | 13,678 | 6,527  |
| Fixed deposits         | 10,836 | 8,853  |
|                        | 24,514 | 15,380 |
| Pledged deposits       | (211)  | (211)  |
|                        | 24,303 | 15,169 |

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 Equity

| (\$'000)  | Attributable to equity holders of the Company |                     |                      |                   |                           | Total equity |
|---|---|---------------------|----------------------|-------------------|---------------------------|--------------|
|   | Share capital                                 | Revaluation reserve | Share option reserve | Retained earnings | Non-controlling interests |              |
| Balance at 1 September 2008                               | 37,464  | 56,386              | 150                  | 15,418            | 77                        | 109,495      |
| Employee share option scheme - value of employee services | -   | -                   | 288                  | -                 | -                         | 288          |
| Total comprehensive (loss)/income for the period          | -   | (4,000)             | -                    | 9,381             | (70)                      | 5,311        |
| Dividends paid  | -   | -                   | -                    | (7,299)           | -                         | (7,299)      |
| Balance at 31 May 2009                                    | 37,464  | 52,386              | 438                  | 17,500            | 7                         | 107,795      |
| Balance at 1 September 2009                               | 37,464  | 52,386              | 542                  | 20,910            | 1                         | 111,303      |
| Employee share option scheme - value of employee services | -   | -                   | 262                  | -                 | -                         | 262          |
| Issue of shares under employee share option scheme        | 88  | -                   | -                    | -                 | -                         | 88           |
| Total comprehensive income for the period                 | -   | -                   | -                    | 11,848            | 246                       | 12,094       |
| Incorporation of subsidiary                               | -   | -                   | -                    | -                 | 20                        | 20           |
| Dividends paid  | -   | -                   | -                    | (8,762)           | -                         | (8,762)      |
| Balance at 31 May 2010                                    | 37,552  | 52,386              | 804                  | 23,996            | 267                       | 115,005      |

### THE COMPANY

| (\$'000)  | Attributable to equity holders of the Company |                     |                      |                   |                           | Total equity |
|---|---|---------------------|----------------------|-------------------|---------------------------|--------------|
|   | Share capital                                 | Revaluation reserve | Share option reserve | Retained earnings | Non-controlling interests |              |
| Balance at 1 September 2008                               | 37,464  | 56,386              | 150                  | 12,547            | -                         | 106,547      |
| Employee share option scheme - value of employee services | -   | -                   | 288                  | -                 | -                         | 288          |
| Total comprehensive (loss)/income for the period          | -   | (4,000)             | -                    | 8,359             | -                         | 4,359        |
| Dividends paid  | -   | -                   | -                    | (7,299)           | -                         | (7,299)      |
| Balance at 31 May 2009                                    | 37,464  | 52,386              | 438                  | 13,607            | -                         | 103,895      |
| Balance at 1 September 2009                               | 37,464  | 52,386              | 542                  | 16,613            | -                         | 107,005      |
| Employee share option scheme - value of employee services | -   | -                   | 262                  | -                 | -                         | 262          |
| Issue of shares under employee share option scheme        | 88  | -                   | -                    | -                 | -                         | 88           |
| Total comprehensive income for the period                 | -   | -                   | -                    | 10,305            | -                         | 10,305       |
| Dividends paid  | -   | -                   | -                    | (8,762)           | -                         | (8,762)      |
| Balance at 31 May 2010                                    | 37,552  | 52,386              | 804                  | 18,156            | -                         | 108,898      |

**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**

There was an exercise of employee share options of 154,250 ordinary shares at total value of \$87,460 as at 31 May 2010 (31 May 2009: Nil).

**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<br>31 May 2010 | As at<br>31 August 2009 |
|---|----------------------|-------------------------|
| Weighted average number of ordinary shares        | 292,131,684          | 291,977,434             |
| Adjustment for potential dilutive ordinary shares | 2,520,416            | 147,627                 |
| Weighted average number of ordinary shares        | 294,652,100          | 292,125,061             |

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company does not hold any treasury shares at 31 May 2010 and accordingly there are no sales, transfers, disposal, cancellation and / or use of treasury shares during the current financial period reported on.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing SSRE 2410 (Review of Interim Financial Information Performed by the Independent Auditor of the Entity))**

The figures have not been audited or reviewed in accordance with the Singapore Standard on Auditing SSRE 2410 (Engagements To Review of Interim Financial Information by 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 2009, except as disclosed in paragraph 5 below.

**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**

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 September 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS.

The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements, except for the disclosure of a statement of comprehensive income in accordance with the FRS 1 (Revised) Presentation of Financial Statements and its related change to the statement of changes in equity.

**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**

|   | Third Quarter |             | Year-To-Date |             |
|---|---------------|-------------|--------------|-------------|
|   | 31 May 2010   | 31 May 2009 | 31 May 2010  | 31 May 2009 |
| Earnings per ordinary share (cents) :       |               |             |              |             |
| Based on basic basis <sup>(1)</sup>         | 1.64          | 1.18        | 4.06         | 3.21        |
| Based on fully diluted basis <sup>(2)</sup> | 1.63          | 1.18        | 4.02         | 3.21        |

(1) Basic earnings per share for the 3<sup>rd</sup> quarter ended 31 May 2010 and 31 May 2009 have been computed based on 292,131,684 and 291,977,434 ordinary shares respectively.

(2) Diluted earnings per share for the 3<sup>rd</sup> quarter ended 31 May 2010 and 31 May 2009 have been computed based on the weighted average number of shares which amounted to 294,652,100 and 291,977,434 ordinary shares respectively.

**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     |             |
|--|-------------|-------------|-------------|-------------|
|  | 31 May 2010 | 31 May 2009 | 31 May 2010 | 31 May 2009 |
| Net asset value per ordinary share (cents) | 39.28       | 36.92       | 37.28       | 35.58       |

Net asset value per ordinary share as at 31 May 2010 and 31 May 2009 have been computed based on 292,131,684 and 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**

##### **Third Quarter FY 2010 ("Q3 FY 2010")**

The Group's revenue for the Third Quarter ended 31 May 2010 ("Q3 FY2010") increased by 25.4% or \$4.42 million from \$17.41 million for Q3 FY2009 to \$21.83 million for Q3 FY 2010. This is due to the strong performance from both segments of our operations, namely, the Hospital Operations and Ancillary Services and Specialised and Other Services.

Revenue from Hospital Operations and Ancillary Services increased by 12.3% or \$1.64 million to \$14.99 million in Q3 FY2010 from \$13.35 million in Q3 FY2009. Revenue from obstetric cases has increased by 13.8% as compared to Q3 FY2009 attributable to the 2.7% increase in the number of babies delivered in Q3 FY2010 which increased from 2,231 in Q3 FY2009 to 2,291 in Q3 FY2010.

The Group's revenue from inpatient services grew by 14% during the quarter compared to Q3 FY 2010 owing to higher room occupancy as a result of increase in deliveries and surgical cases. Revenue from outpatient services was 9.7% higher than Q3 FY2009 mainly due to the increase in patient load at the Thomson Lifestyle Centre and the 24-hour Family Clinic.

Revenue from Specialised and Other Services increased by 68.4% or \$2.78 million to \$6.84 million in Q3 FY2010 from \$4.06 million in Q3 FY2009 as a result of increased patient load in the Group's network of Thomson Women's Clinics, Thomson Paediatric Centre ("TPC"), and Thomson Women Cancer Centre ("TWCC"). These specialized centres also contributed to inpatient revenue in Hospital Operations and Ancillary Services.

##### **Nine months ended 31 May 2010**

The Group's revenue for the nine months ended 31 May 2010 increased by \$10.09 million, to \$59.49 million, an increase of 20.4% over the corresponding period in FY2009 owing to the strong performance in the Hospital Operations and Ancillary Services and Specialised and Other Services.

Revenue from Hospital Operations and Ancillary Services increased by 11.3% or \$4.33 million from \$38.37 million in the three quarters of FY2009 to \$42.70 million in the same period of FY2010. Both inpatient and outpatient services saw good performance where revenue grew by 12.4% and 10.1% respectively. Deliveries increased 5.3% from 6,628 in FY2009 to 6,976 in FY2010.

Specialised and Other Services grew by 52.2% or \$5.76 million over the three quarters in the previous year due mainly to the two new business units, TWCC and TPC. Revenue in the Group's network of Thomson Women's Clinics grew \$1.21 million or 17.0% in FY 2010.

#### **Net Profit After Tax**

##### **Third Quarter FY 2010 ("Q3 FY 2010")**

Net Profit after Tax ("NPAT") for Q3 FY2010 was \$4.90 million, which is 43.5% or \$1.49 million higher than Q3 FY2009. This is attributable to the increase in revenue from both our Hospital Operations and Ancillary Services and the two new businesses under the Specialized and Other Services, namely TWCC and TPC and the improvement in our gross margin during the quarter.

Administration expenses increased by 5.6% in Q3 FY2010 compared to Q3 FY2009 due mainly to higher manpower cost as a result of increase in manpower. Other operating expenses in Q3 FY2010 were

higher than Q3 FY2009 by 22.2% due mainly to an increase in depreciation charge for the newly renovated wards.

#### Nine months ended 31 May 2010

NPAT in the nine months ended 31 May 2010 grew 29.9% to \$12.09 million from \$9.31 million in FY 2009 mainly attributable to a 20.4% increase in revenue.

The Group's gross margin for the nine months of FY2010 was 43.2%, a marginal improvement over the same period in FY2009 of 43.1%.

Group administration expenses increased by 9.5%, or \$0.68 million, to \$7.84 million in the nine months ended 31 May 2010 due mainly to higher administrative manpower costs from increased staffing.

Other operating expenses were higher by 15.3% in the nine months ended 31 May 2010 mainly due to an increase in depreciation charge for the newly renovated wards.

#### Other comprehensive loss

The other comprehensive loss relates to the revaluation deficit that was recorded in February 2009 under the statement of changes in equity which is now represented under the statement of comprehensive income in accordance with the revision to FRS1 on presentation of financial statements.

### **Consolidated Balance Sheet**

#### **Shareholders' Equity**

The Group's shareholders' equity increased to \$115.14 million at 31 May 2010 from \$111.30 million at 31 August 2009, mainly as a result of the increased operating profit recorded for the period. This increase is partly offset by dividends payment of \$8.76 million during the nine-month period ended 31 May 2010.

#### **Fixed Assets**

The freehold land and building of the Group and the Company were revalued based on a desk top valuation by Knight Frank Pte Ltd in February 2009. The deficit on revaluation of \$4.00 million was debited to asset revaluation reserve under equity. If the assets had been carried at cost less accumulated depreciation, the net book value at the end of the financial year 2009 would have been \$45.66 million.

The Group will be performing a full valuation in respect of its freehold land and building in Q4 FY2010 and will book the full revaluation adjustments for year end reporting purposes in accordance with its accounting policies.

#### **Current Assets**

The Group's current assets increased by \$4.44 million from \$25.99 million as at 31 August 2009 to \$30.43 million as at 31 May 2010 mainly due to an increase in cash and bank balances.

#### **Bank Borrowings**

Bank borrowings have been reduced by the repayment of \$1.02 million during the period as scheduled.

#### **Current Liabilities**

Increase in current liabilities as at 31 May 2010 as compared to 31 August 2009 was mainly due to higher provision for taxation..

## Liquidity

The Group remains in a strong financial position with fixed deposits, cash and bank balance of \$24.51 million as at 31 May 2010.

### **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 Q2 FY2010 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**

For the nine-month period ended 31 May 2010, the Group handled 6,976 deliveries in our hospital which represents a 5.3% increase over the corresponding period last year. This continuous increase demonstrates our position as a market leader for deliveries among private hospitals in Singapore and affirms Thomson Medical Centre as one of the preferred hospitals for women and children.

Thomson Medical's service excellence journey has continued to reap results in the form of national recognition for its service standards and delivery. Besides gaining top position in the healthcare sector of the Customer Satisfaction Index for Singapore (CSISG) in January 2010, Thomson Medical Centre was a recipient of the May Day CBF Model Partnership Award 2010. The award, by the National Trades Union Congress (NTUC), recognizes and rewards organizations that have made a significant impact in enhancing productivity, upgrading their capabilities and responding quickly to market changes and ensuring their competitiveness by being *Cheaper, Better & Faster*.

In May 2010, two senior O&G tenant specialists commenced their clinic practice in our hospital. We will continue to attract senior and experienced O&G specialists to take tenancy in our hospital as part of a key strategy to increase patient referrals and utilization of services at our hospital. In addition, the Group will continue to look out for new high density areas island-wide to expand its network of women's satellite clinics under Thomson Women's Clinic.

The Group's Thomson Women Cancer Centre and the newly started Thomson Paediatric Centre have performed well and are making healthy contributions to the Group's revenue. The two most recently-added businesses meet our objective of expanding the scope of our services for women and children. Thomson Medical will continue to develop more innovative services to maintain its position as a market leader, to grow the distribution channels in the region to attract more foreign patients to use our facilities and importantly, to remain affordable to our patients.

The Group's consultancy and management project in Binh Duong Province in Vietnam, Hanh Phuc International Women and Children Hospital, is nearing completion and on track to have its soft opening in October 2010. The Group's second hospital consultancy project in Hanoi, Vietnam, will commence once a suitable site has been identified.

The Singapore economy grew strongly in the first half of the year and the forecast for the rest of the year by most economists has been revised upwards. The global economic conditions remain positive despite uncertainties in certain areas. With the better economic outlook and barring unforeseen circumstances, the Board of Directors expects the Group to be profitable in Q4 FY2010 and for the full year.

## **11. Dividend**

### **(a) Current financial Period Reported On**

Any dividend declared for the current financial period reported on? No

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date Payable**

Not applicable.

**(d) Books closure date**

Not applicable.

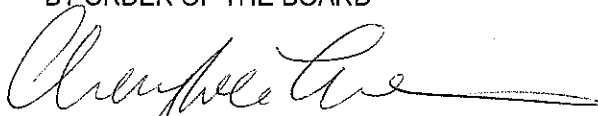
**12. If no dividend have been declared/recommended, a statement to that effect.**

Not applicable.

**13. Confirmation pursuant to Rule 705(5) 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 third quarter ended 31 May 2010 to be false or misleading in any material respect.

BY ORDER OF THE BOARD



Dr Cheng Wei Chen  
Executive Chairman

12 July 2010