

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

**Full Year Financial Statement Announcement for the Year Ended 31 August 2008**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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:**

	Fourth Quarter			Year Ended		
	Q4 2008	Q4 2007	Change	31 August 2008	31 August 2007	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<b>REVENUE</b>	<b>15,040</b>	<b>14,205</b>	<b>5.9</b>	<b>60,264</b>	<b>52,361</b>	<b>15.1</b>
Cost of sales	(8,676)	(7,986)	8.6	(33,693)	(29,730)	13.3
<b>GROSS PROFIT</b>	<b>6,364</b>	<b>6,219</b>	<b>2.3</b>	<b>26,571</b>	<b>22,631</b>	<b>17.4</b>
Other operating income <sup>(1)</sup>	346	230	50.4	961	1,527	(37.1)
Administration expenses	(2,139)	(1,975)	8.3	(8,388)	(7,455)	12.5
Other operating expenses	(1,240)	(1,311)	(5.4)	(5,077)	(4,913)	3.3
Finance costs	(58)	(103)	(43.7)	(310)	(428)	(27.6)
<b>PROFIT BEFORE TAXATION</b>	<b>3,273</b>	<b>3,060</b>	<b>7.0</b>	<b>13,757</b>	<b>11,362</b>	<b>21.1</b>
Taxation	(654)	(445)	47.0	(2,602)	(1,861)	39.8
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>2,619</b>	<b>2,615</b>	<b>0.2</b>	<b>11,155</b>	<b>9,501</b>	<b>17.4</b>
<b>Attributable to:</b>						
Equity holders of the parent	2,649	2,615	1.3	11,199	9,511	17.7
Minority interests	(30)	-	-	(44)	(10)	340.0
	<b>2,619</b>	<b>2,615</b>	<b>0.2</b>	<b>11,155</b>	<b>9,501</b>	<b>17.4</b>
Net Profit margin (%)	17.4	18.4		18.5	18.1	
<b>Profit before taxation includes the following:</b>						
Allowance for impairment on trade receivables	(22)	(5)		(86)	(64)	
Depreciation of property and equipment	(754)	(764)		(2,940)	(2,844)	
Loss in fair value of derivative financial instrument	-	(40)		-	(81)	
Interest income	19	45		157	285	
Gain/(loss) on disposal of property and equipment	1	1		1	(3)	
Property and equipment written off	(4)	(5)		(18)	(36)	
Gain on sale of an associate	-	-		-	621	
Share option expense	(150)	-		(150)	-	

Certain figures in the comparative year had been reclassified to conform to current year's presentation.

**Note:**

(1) Other operating income of FY2007 includes the gain on sale of associate of \$0.62 million.

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

**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	
	31 August 2008 \$'000	31 August 2007 \$'000	31 August 2008 \$'000	31 August 2007 \$'000
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Goodwill	146	146	-	-
Property and equipment	109,028	97,462	108,193	96,738
Subsidiaries	-	-	1,527	1,527
Associate <sup>(1)</sup>	-	-	-	-
	<u>109,174</u>	<u>97,608</u>	<u>109,720</u>	<u>98,265</u>
<b>Current Assets</b>				
Inventory, at cost	951	893	750	705
Trade and other receivables	4,457	2,339	4,281	2,099
Deposits and prepayments	915	532	754	393
Pledged deposits	170	155	155	155
Cash and bank balances	15,400	15,133	9,561	10,939
	<u>21,893</u>	<u>19,052</u>	<u>15,501</u>	<u>14,291</u>
<b>TOTAL ASSETS</b>	<b><u>131,067</u></b>	<b><u>116,660</u></b>	<b><u>125,221</u></b>	<b><u>112,556</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Share capital	37,464	37,464	37,464	37,464
Reserves	56,536	45,125	56,536	45,125
Retained earnings	15,418	10,059	12,547	8,535
Equity attributable to shareholders	<u>109,418</u>	<u>92,648</u>	<u>106,547</u>	<u>91,124</u>
Minority interests	77	121	-	-
Total equity	109,495	92,769	106,547	91,124
<b>LIABILITIES</b>				
<b>Non Current Liabilities</b>				
Obligations under finance leases	-	66	-	66
Bank borrowings (secured)	2,720	7,080	2,720	7,080
Deferred taxation	1,640	1,555	1,575	1,490
	<u>4,360</u>	<u>8,701</u>	<u>4,295</u>	<u>8,636</u>
<b>Current Liabilities</b>				
Trade and other payables	13,240	11,537	10,675	9,365
Obligations under finance leases	66	113	66	113
Current tax payable	2,546	2,180	2,278	1,958
Bank borrowings (secured)	1,360	1,360	1,360	1,360
	<u>17,212</u>	<u>15,190</u>	<u>14,379</u>	<u>12,796</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>131,067</u></b>	<b><u>116,660</u></b>	<b><u>125,221</u></b>	<b><u>112,556</u></b>

Note:

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

	\$'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)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**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 August 2008		As at 31 August 2007	
Secured	Unsecured	Secured	Unsecured
\$1,426,000	nil	\$1,473,000	nil

AMOUNT REPAYABLE AFTER ONE YEAR

As at 31 August 2008		As at 31 August 2007	
Secured	Unsecured	Secured	Unsecured
\$2,720,000	nil	\$7,146,000	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, Singapore 307677.

**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:-**

	Year Ended	
	31 August 2008 \$'000	31 August 2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation	13,757	11,362
Adjustments for :		
Depreciation of property and equipment	2,940	2,844
Share option expense	150	-
Interest expense	310	428
Interest income	(157)	(285)
Allowance for impairment of trade receivables	71	43
Property and equipment written off	18	36
Gain on disposal of available-for-sale investments	-	(24)
Loss in fair value of derivative financial instruments	-	81
(Gain)/ loss on disposal of property and equipment	(1)	3
Gain on disposal of an associate	-	(621)
Share of associate's result	-	-
Operating profit before working capital changes	17,088	13,867
Increase in inventory	(58)	(46)
Increase in operating receivables	(2,189)	(504)
(Increase)/decrease in deposits and prepayments	(383)	163
Increase in operating payables	1,724	1,630
Cash generated from operations	16,182	15,110
Income taxes paid	(2,151)	(1,506)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	14,031	13,604
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(3,265)	(5,179)
Interest received	157	285
Proceeds from disposal of available-for-sale investments	-	85
Proceeds from disposal of an associate	-	950
Proceeds from disposal of property and equipment	3	72
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(3,105)	(3,787)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	(4,360)	(1,360)
Repayment of finance lease obligations	(113)	(147)
Interest paid	(331)	(435)
Dividends paid	(5,840)	(7,633)
Repayment of loan from an associate	-	1,000
Increase in pledged deposits	(15)	(137)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(10,659)	(8,712)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	267	1,105
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	15,133	14,028
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	15,400	15,133

**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	Fair value reserve	Share option reserve	Retained earnings	Minority interests	
<b>(\$'000)</b>							
Balance at 1 September 2006	37,464	32,657	9	-	8,181	131	78,442
Disposal of available-for-sale investment	-	-	(9)	-	-	-	(9)
Asset revaluation surplus	-	12,468	-	-	-	-	12,468
Net gains recognised directly in equity	-	12,468	(9)	-	-	-	12,459
Net profit for the year	-	-	-	-	9,511	(10)	9,501
Total recognised income and expense for the year	-	12,468	(9)	-	9,511	(10)	21,960
Dividends paid	-	-	-	-	(7,633)	-	(7,633)
Balance at 31 August 2007	37,464	45,125	-	-	10,059	121	92,769
Balance at 1 September 2007	37,464	45,125	-	-	10,059	121	92,769
Asset revaluation surplus	-	11,261	-	-	-	-	11,261
Employee share option scheme – value of employee services	-	-	-	150	-	-	150
Net gain recognised directly in equity	-	11,261	-	150	-	-	11,411
Net profit for the year	-	-	-	-	11,199	(44)	11,155
Total recognised income and expenses for the year	-	11,261	-	150	11,199	(44)	22,566
Dividends paid	-	-	-	-	(5,840)	-	(5,840)
Balance at 31 August 2008	37,464	56,386	-	150	15,418	77	109,495

**THE COMPANY**

**(\$'000)**

	Share capital	Revaluation reserve	Fair value reserve	Share option reserve	Retained earnings	Minority interests	Total equity
Balance at 1 September 2007	37,464	32,657	9	-	7,920	-	78,050
Disposal of available-for-sale investment	-	-	(9)	-	-	-	(9)
Asset revaluation surplus	-	12,468	-	-	-	-	12,468
Net gain recognised directly in equity	-	12,468	(9)	-	-	-	12,459
Net profit for the year	-	-	-	-	8,248	-	8,248
Total recognised income and expense for the year	-	12,468	(9)	-	8,248	-	20,707
Dividends paid	-	-	-	-	(7,633)	-	(7,633)
Balance at 31 August 2007	37,464	45,125	-	-	8,535	-	91,124
Balance at 1 September 2007	37,464	45,125	-	-	8,535	-	91,124
Asset revaluation surplus	-	11,261	-	-	-	-	11,261
Employee share option scheme – value of employee services	-	-	-	150	-	-	150
Net gain recognised directly in equity	-	11,261	-	150	-	-	11,411
Net profit for the year	-	-	-	-	9,852	-	9,852
Total recognised income and expenses for the year	-	11,261	-	150	9,852	-	21,263
Dividends paid	-	-	-	-	(5,840)	-	(5,840)
Balance at 31 August 2008	37,464	56,386	-	150	12,547	-	106,547

**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 were no exercise of share options during the year ended 31 August 2008.

**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 31 August 2008	As at 31 August 2007
Weighted average number of ordinary shares	291,977,434	291,977,434
Adjustment for potential dilutive ordinary shares	1,093,423	488,712
Weighted average number of ordinary shares	<u>293,070,857</u>	<u>292,466,146</u>

**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**

Except as disclosed in paragraph 5 below, 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 2007.

**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 has adopted all the Singapore Financial Reporting Standards ("FRS") that are mandatory for financial years beginning on or after 1 January 2007.

The adoption of the new/revised FRS does not have any material impact on the financial statements.

**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**

	Fourth Quarter		Year Ended	
	31 August 2008	31 August 2007	31 August 2008	31 August 2007
Earnings per ordinary share (cents) :				
Based on basic basis <sup>(1)</sup>	0.91	0.90	3.84	3.26
Based on fully diluted basis <sup>(2)</sup>	0.90	0.90	3.82	3.25

- (1) Earnings per share for the quarter and year ended 31 August 2008 and 31 August 2007 have been computed based on 291,977,434 ordinary shares.
- (2) Diluted earnings per share for the quarter and year ended 31 August 2008 has been computed based on the weighted average number of shares which amounted to 293,070,857 (2007 - 292,466,146) ordinary shares.

**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 August 2008	31 August 2007	31 August 2008	31 August 2007
Net asset value per ordinary share (cents)	37.47	31.73	36.49	31.21

Net asset value per ordinary share as at 31 August 2008 and 31 August 2007 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 and Gross Profit**

**Q4 FY2008 vs Q4 FY2007**

The Group's revenue for the 4<sup>th</sup> quarter of the financial year ended 31 August 2008 ("Q4 FY2008") increased by 5.9% to \$15.04 million from \$14.21 million for the 4<sup>th</sup> quarter of the financial year ended 31 August 2007 ("Q4 FY2007"). This is due to the strong 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 3.7% or \$0.43 million from \$11.35 million in Q4 FY2007 to \$11.78 million in Q4 FY2008. The Group delivered 2,039 babies in Q4 FY2008, an increase of 2.8% over Q4 FY2007 deliveries. Our inpatient admission and ancillary services also sees improved performance compared to Q4 FY2007. It also recorded increased in patient referrals from its tenant specialists, peripheral specialists and its network of Thomson Women's Clinics.

Revenue from Specialised and Other Services increased by 14.7% from \$2.85 million in Q4 FY2007 to \$3.27 million in Q4 FY2008 due to increased contribution from all its subsidiaries. The Group's Thomson Women Clinic at AMK Hub has also contributed additional stream of revenue in FY2008.

### **FY2008 vs FY2007**

The Group's revenue has increased by 15.1% or \$7.90 million from \$52.36 million in FY2007 to \$60.26 million in FY2008.

The Hospital Operations and Ancillary Services recorded an increase of 14.1% or \$5.88 million from \$41.83 million in FY2007 to \$47.72 million in FY2008. The Group continued to see increases in baby deliveries and inpatient admission during the financial year. A new record high of 8,567 deliveries was achieved for FY2008 compared to previous record high of 7,665 in FY2007. This is 11.7% or 902 deliveries more than that of FY2007. The Group also recorded growth in inpatient admissions for gynaecology, paediatrics and neonatology services as well as its ancillary services during the year.

Revenue from Specialised and Other Services increased by 19.2% or \$2.02 million from \$10.53 million in FY2007 to \$12.55 million in FY2008. The growth was contributed mainly by Thomson Fertility Centre, which recorded an increase of 17.4% or \$0.52 million and Thomson Women's Clinics, which recorded an increase of 24.4% or \$1.50 million.

The Group's gross profit margin has improved from 43.2% in FY2007 to 44.1% in FY2008. The improvement was attributed to our prudent management of costs and our continuous effort in growing revenue.

The Group's hospital consultancy project in Vietnam is progressing as scheduled. The Group recognized approximately \$0.38 million as consultancy fees in FY2008 and will continue to recognize consultancy fees as the project progresses.

### **Net Profit After Tax**

#### **Q4 FY2008 vs Q4 FY2007**

Net Profit after Tax ("NPAT") for Q4 FY2008 was \$2.62 million, about the same as that of Q4 FY2007 despite the increase in revenue by 5.9% from that of Q4 FY2007 due to:

- Partial closure of ward for renovation in Q4 FY2008 which resulted in lower occupancy;
- higher operating expenses as a result of increase in manpower cost and overheads with the leasing of more offsite offices in Q4 FY2008; and
- higher tax charge for FY2008 as compared to FY2007.

### **FY2008 vs FY2007**

NPAT increased 17.4% or \$1.66 million from \$9.50 million for FY2007 to \$11.16 million in FY2008.

Excluding the one-time gain from the sale of associate of \$0.62 million from the NPAT of FY2007, the NPAT would have increased by 25.6% or \$2.28 million in FY2008.

The improvement in NPAT despite the 8.8% overall increase in administration and operating expenses was attributable to the higher revenue recorded and cost control measures.

Other operating income decreased 37.1% to \$0.96 million from \$1.53 million in FY2007 which included the gain on sale of associate of \$0.62 million. Excluding this gain, the increase in other operating income would be 6.1%. Other operating income includes higher fees received from its First Born Incentive ("FBI") and Subsequent Born Incentive ("SBI") membership.

The administration expenses increased 12.5% or \$0.93 million from that of FY2007 as a result of the increase in manpower cost.

Other operating expenses increased by 3.3% or \$0.16 million to \$5.08 million from \$4.91 million in FY2007 mainly due to higher depreciation costs and increased operating expenses in line with increased business activities.

The effective tax rate for FY2008 of 18.9% was higher than the 16.3% of FY2007 due to

- the reduction in tax rates from 20% to 18% in FY2007, which results in a reversal of deferred tax expense that offset the tax charge for FY2007; and
- the one-time gain on sale of associate of \$0.62 million which is not taxable in previous year.

Without the above reversal and the one-time gain, the effective tax rate for FY2007 would have been 18.8%.

## **Consolidated Balance Sheet**

### **Shareholders' Equity**

The Group's shareholders' equity increased to \$109.50 million as at 31 August 2008 from \$92.77 million as at 31 August 2007 as a result of higher profit and additional revaluation surplus recorded.

During the year, the Group has paid second interim dividends of \$2.92 million for FY2007 and interim dividend of \$2.92 million for FY2008.

A revaluation surplus of \$11.26 million on the Group's freehold land and building was recorded to asset revaluation reserve during the year following an independent valuation.

### **Current Assets**

The Group's current assets increased by \$2.84 million from \$19.05 million to \$21.89 million as at 31 August 2007 and 2008 respectively as a result of increase in Trade and Other Receivables by \$2.12 million, of which the main bulk is refundable medisave claims

### **Bank Borrowings**

The Group continued to reduce its bank borrowings with the repayment of \$4.36 million in the year under review. Consequently, bank borrowings reduced to \$4.08 million as of 31 August 2008 compared to \$8.44 million as of 31 August 2007.

### **Liquidity**

The Group remains in a strong financial position with a cash and bank balance of \$15.40 million as at 31 August 2008 despite having invested \$3.27 million in the renovation and upgrading of wards and medical equipment, paid dividend of \$5.84 million and repaid bank loan of \$4.36 million during the 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 3<sup>rd</sup> quarter FY2008 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 the conversion of Level 6 administrative office into a premier ward with five suites, and the renovation of Level 3 in-patient ward with a resort-style feel and look. The new and improved facilities offer added services, better ambience and a comfortable environment to meet the increasing patients' demand for premium facilities and services.

The Group will continue its upgrading program in FY2009 with the planned renovation of Level 5 into a premier ward that offers differentiated services to patients who seek higher-end facilities and services. The Group will also add another two operating theatres to the current four to meet the increased number of surgical procedures.

In addition to providing convenience to our customers, the move of Thomson Lifestyle Centre and Thomson Aesthetics Centre to Novena Medical Centre has freed up prime space in Thomson Medical

Centre for two medical suites, one of which has been taken up by a senior O&G specialist from a restructured hospital. The Group will continue its space rationalization exercise and will accord priority to patient services.

In April 2008, a senior O&G specialist has joined Thomson Medical Centre and has been actively referring her patients to use our hospital's facilities and services. The Group will, through its maternity membership programmes, develop more value-added services and initiatives to meet the needs of mothers, expectant women and their families. The Group will also continue to work in partnership with our specialists to provide efficient and effective service to our patients. Through the above initiatives, the hospital expects to see increased referrals and utilization of its facilities and services.

### *Specialised and Other Services*

The Group has set up its Thomson Women's Clinic in AMK Hub in FY2008. The new clinic has contributed positively to the Group's performance with encouraging patient referrals to the hospital. The Group will continue to look for other strategic locations to expand its network of satellite Thomson Women's Clinics.

Thomson Fertility Centre continues to see increased patient load both locally and regionally. The number of foreign patients has increased by 26.5% compared to FY2007. The Group will continue its effort in marketing fertility services in the region.

Regionally, the Group's hospital consultancy project in Binh Duong province, Vietnam, is progressing as scheduled. Construction work for the Hanh Phuc International Women and Children Hospital is targeted to be completed in the third quarter of Year 2009. The Group will continue to recognize consultancy fees as the construction progresses. The Group is currently recognizing the project management consultancy fee and when this phase is completed, the Group will proceed with hospital commissioning phase where further fee will be recognized.

With the signing of the Agreement to Establish Business Plan in September 2008, the Group has started the work on the development of the business plan for the proposed women and children's hospital project in Hanoi, Vietnam.

In addition to Vietnam, the Group will continue to explore hospital consultancy and development opportunities in countries such as Malaysia and Indonesia.

### *Outlook*

18,032 babies were born in the first half of 2008 in Singapore, an increase of 707 over the same period last year whilst the birth rate is expected to reach 1.30 in 2008, up from 1.29 in 2007.<sup>1</sup> Singapore's population registered a historical high of 5.5% year-on-year growth rate to 4.84 million in June 2008.

In August 2008, the government announced the enhanced Marriage and Parenthood Package that includes increased baby bonus, tax incentives and extended maternity leave to encourage couples to have more children. The government's focus on increasing birth rates and population growth is likely to have a positive impact on the demand for quality healthcare services and infrastructure.

Thomson Medical, as the leading private healthcare provider for women and children in Singapore, would be in a good position to benefit from expected higher demand for healthcare services. The Group will continue to pursue new business opportunities locally and regionally.

However, the global economic environment and financial markets have weakened considerably in recent months and remained relatively uncertain in the short to medium term. The outlook for Singapore and the region will inevitably be influenced by the global economic situation.

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<sup>1</sup> 'Population up a record 5.5%', The Straits Times, 27 September 2008.

In view of the challenges ahead, the Group will be prudent in its business decisions and continue with the development plans outlined above. 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	:	Final Ordinary
Dividend type	:	Cash
Dividend amount	:	1.50 cents 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 <sup>st</sup> Interim Ordinary
Dividend type	:	Cash
Dividend amount	:	0.75 cent per ordinary share (net of tax)
Tax rate	:	18%

Name of Dividend	:	1 <sup>st</sup> Special Interim
Dividend type	:	Cash
Dividend amount	:	0.75 cent per ordinary share (net of tax)
Tax rate	:	18%

Name of Dividend	:	2 <sup>nd</sup> Interim Ordinary
Dividend type	:	Cash
Dividend amount	:	1.00 cent per ordinary share (one-tier)
Tax rate	:	Tax exempt

### (c) Date Payable

The Directors have declared a Final Ordinary Dividend in respect of the year ended 31 August 2008, payable on 2 January 2009 to those shareholders on the share registers on 18 December 2008.

### (d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed from 18 December 2008 after 5.00 p.m. to 22 December 2008 for the purpose of determining the shareholders' entitlement to the Final Ordinary 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 18 December 2008 will be registered to determine the shareholders' entitlement to the Final Ordinary 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.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13.Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

	Hospital Operations and Ancillary Services		Specialised and Other Services		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue	47,717	41,833	12,547	10,528	60,264	52,361
Segment results	12,256	9,730	1,811	2,060	14,067	11,790
Finance cost	(310)	(428)	-	-	(310)	(428)
	11,946	9,302	1,811	2,060	13,757	11,362
Share of associate's results					-	-
Income tax					(2,602)	(1,861)
Profit for the year					11,155	9,501
<b>Segment assets</b>	123,115	110,677	7,952	5,983	131,067	116,660
Unallocated assets					-	-
					131,067	116,660
<b>Segment liabilities</b>	14,730	17,957	2,656	2,199	17,386	20,156
Unallocated liabilities					4,186	3,735
					21,572	23,891
<b>Other information</b>						
Capital expenditure	2,939	5,088	326	91	3,265	5,179
Depreciation of property and equipment	2,726	2,654	214	190	2,940	2,844
Property and equipment written off	17	31	1	5	18	36
Bad debts	-	2	-	-	-	2
Allowance for impairment on trade receivables	76	59	10	5	86	64
Write off/ allowance for obsolete inventory	1	4	2	3	3	7
Share option expense	150	-	-	-	150	-
(Gain)/loss on disposal of property and equipment	(1)	3	-	-	(1)	3

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not Applicable

**15. A breakdown of sales**

	<b>31 August 2008 \$'000</b>	<b>Group Year Ended 31 August 2007 \$'000</b>	<b>Increase %</b>
Sales reported for first half year	29,536	24,259	21.8
Operating profit after tax before deducting minority interest reported for first half year	5,689	4,432	28.4
Sales report for second half year	30,728	28,102	9.3
Operating profit after tax before deducting minority interest reported for second half year	5,466	5,069	7.8

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary shares		
-Interim	5,840	4,380
-Final	-	3,253

BY ORDER OF THE BOARD

Dr Cheng Wei Chen  
Executive Chairman

28 October 2008