

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

Financial Statement Announcement for the First Quarter Ended 30 November 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:

	First Quarter Ended		Change
	30 November 2008	30 November 2007	
	\$'000	\$'000	%
REVENUE	16,393	14,920	9.9
Cost of sales	(9,300)	(8,418)	10.5
GROSS PROFIT	7,093	6,502	9.1
Other operating income	326	215	51.6
Administration expenses	(2,383)	(1,994)	19.5
Other operating expenses	(1,392)	(1,241)	12.2
Finance costs	(39)	(95)	(58.9)
PROFIT BEFORE TAXATION	3,605	3,387	6.4
Taxation	(763)	(697)	9.5
PROFIT FOR THE QUARTER	2,842	2,690	5.7
Attributable to:			
Equity holders of the parent	2,851	2,691	5.9
Minority interests	(9)	(1)	800.0
	2,842	2,690	5.7
Net Profit margin (%)	17.3	18.0	
Profit before taxation includes the following:			
Allowance for impairment on trade receivables	(19)	-	
Depreciation of property and equipment	(809)	(706)	
Interest income	25	59	
Property and equipment written off	(2)	(2)	
Share option expense	(107)	(38)	

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

N.M. denotes not meaningful

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.

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	
	30 November 2008	31 August 2008	30 November 2008	31 August 2008
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non Current Assets				
Goodwill	146	146	-	-
Property and equipment	109,365	109,028	108,583	108,193
Subsidiaries	-	-	1,527	1,527
Associate	-	-	-	-
	109,511	109,174	110,110	109,720
Current Assets				
Inventory, at cost	922	951	703	750
Trade and other receivables	4,171	4,111	4,356	4,281
Deposits and prepayments	1,053	915	899	754
Pledged deposits	230	170	155	155
Cash and bank balances	21,605	15,401	15,181	9,561
	27,981	21,548	21,294	15,501
TOTAL ASSETS	137,492	130,722	131,404	125,221
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	37,464	37,464	37,464	37,464
Reserves	56,643	56,536	56,643	56,536
Retained earnings	18,269	15,418	15,007	12,547
Equity attributable to shareholders	112,376	109,418	109,114	106,547
Minority interests	68	77	-	-
Total equity	112,444	109,495	109,114	106,547
LIABILITIES				
Non Current Liabilities				
Bank borrowings (secured)	2,380	2,720	2,380	2,720
Deferred taxation	1,640	1,640	1,575	1,575
	4,020	4,360	3,955	4,295
Current Liabilities				
Trade and other payables	16,320	12,895	13,946	10,675
Obligations under finance leases	38	66	38	66
Current tax payable	3,310	2,546	2,991	2,278
Bank borrowings (secured)	1,360	1,360	1,360	1,360
	21,028	16,867	18,335	14,379
TOTAL EQUITY AND LIABILITIES	137,492	130,722	131,404	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.

	\$'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>

- (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 30 November 2008		As at 31 August 2008	
Secured	Unsecured	Secured	Unsecured
\$1,398,000	nil	\$1,426,000	nil

AMOUNT REPAYABLE AFTER ONE YEAR

As at 30 November 2008		As at 31 August 2008	
Secured	Unsecured	Secured	Unsecured
\$2,380,000	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:-

	Period Ended	
	30 November 2008	30 November 2007
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	3,605	3,387
Adjustments for :		
Depreciation of property and equipment	809	706
Share option expense	107	38
Interest expense	39	95
Interest income	(25)	(59)
Allowance for impairment of trade receivables	19	-
Property and equipment written off	2	2
Operating profit before working capital changes	4,556	4,169
Decrease in inventory	29	202
Increase in operating receivables	(79)	(1,683)
Increase in deposits and prepayments	(138)	(202)
Increase in operating payables	3,105	2,925
Cash generated from operations	7,473	5,411
Income taxes paid	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	7,473	5,411
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(826)	(521)
Interest received	25	59
NET CASH USED IN INVESTING ACTIVITIES	(801)	(462)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(340)	(340)
Repayment of finance lease obligations	(28)	(28)
Interest paid	(40)	(98)
Dividends paid	-	(2,900)
Increase in pledged deposits	(60)	-
NET CASH USED IN FINANCING ACTIVITIES	(468)	(3,366)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,204	1,583
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,401	15,133
CASH AND CASH EQUIVALENTS AT END OF PERIOD	21,605	16,716

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	-	-	38	-	-	38
Net gain recognised directly in equity	-	-	38	-	-	38
Net profit for the period	-	-	-	2,691	(1)	2,690
Total recognised income and expenses for the period	-	-	38	2,691	(1)	2,728
Dividends paid	-	-	-	(2,900)	-	(2,900)
Balance at 30 November 2007	37,464	45,125	38	9,850	120	92,597
Balance at 1 September 2008	37,464	56,386	150	15,418	77	109,495
Employee share option scheme - value of employee services	-	-	107	-	-	107
Net gain recognised directly in equity	-	-	107	-	-	107
Net profit for the period	-	-	-	2,851	(9)	2,842
Total recognised income and expenses for the period	-	-	107	2,851	(9)	2,949
Balance at 30 November 2008	37,464	56,386	257	18,269	68	112,444

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	-	-	38	-	-	38
Net gain recognised directly in equity	-	-	38	-	-	38
Net profit for the period	-	-	-	2,425	-	2,425
Total recognised income and expenses for the period	-	-	38	2,425	-	2,463
Dividends paid	-	-	-	(2,900)	-	(2,900)
Balance at 30 November 2007	37,464	45,125	38	8,060	-	90,687
Balance at 1 September 2008	37,464	56,386	150	12,547	-	106,547
Employee share option scheme - value of employee services	-	-	107	-	-	107
Net gain recognised directly in equity	-	-	107	-	-	107
Net profit for the period	-	-	-	2,460	-	2,460
Total recognised income and expenses for the period	-	-	107	2,460	-	2,567
Balance at 30 November 2008	37,464	56,386	257	15,007	-	109,114

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 changes during the period ended 30 November 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 30 November 2008	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 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 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

	First Quarter Ended	
	30 November 2008	30 November 2007
Earnings per ordinary share (cents) :		
Based on basic basis ⁽¹⁾	0.98	0.92
Based on fully diluted basis ⁽²⁾	0.98	0.92

- (1) Earnings per share for the first quarter ended 30 November 2008 and 30 November 2007 have been computed based on 291,977,434 ordinary shares.
- (2) Diluted earnings per share for the first quarter ended 30 November 2008 and 30 November 2007 have been computed based on the weighted average number of shares which amounted to 291,977,434 and 292,488,051 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 As at		Company As at	
	30 November 2008	31 August 2008	30 November 2008	31 August 2008
Net asset value per ordinary share (cents)	38.49	37.47	37.37	36.49

Net asset value per ordinary share as at 30 November 2008 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 first quarter ended 30 November 2008 ("Q1 FY2009") increased by 9.9% to \$16.39 million from \$14.92 million for the first quarter ended 30 November 2007 ("Q1 FY2008"). 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 8.1% or \$0.96 million from \$11.88 million in Q1 FY2008 to \$12.84 million in Q1 FY2009. The Group delivered 2,359 babies in Q1 FY2009, an increase of 3.7% over Q1 FY2008 deliveries of 2,274. Apart from the increased deliveries, the Group has recorded improved performance in gynaecology services as well as other ancillary services such as diagnostic imaging and fetal assessment services as compared to Q1 FY2008. Patient referrals from the tenant specialists, peripheral specialists and the network of Thomson Women's Clinics also increased compared to Q1 FY2008.

Revenue from Specialised and Other Services increased by 16.8% or \$0.51 million from \$3.04 million in Q1 FY2008 to \$3.55 million in Q1 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 to the Group's revenue in Q1 FY2009. Thomson Aesthetics Centre ("TAC"), which was relocated to the nearby Novena Medical Centre in May 2008, has shown an increase in revenue. Thomson International Health Services ("TIHS") contributed \$0.13 million of consultancy fees in Q1 FY2009 for its hospital consultancy projects in Vietnam.

Net Profit After Tax

Net Profit after Tax ("NPAT") for Q1 FY2009 was \$2.84 million, which is \$0.15 million more than Q1 FY2008 of \$2.69 million. The Group has recorded an additional tax relating to prior years of \$0.09 million; excluding this effect, the Group's NPAT would have been \$2.93 million, an increase of 8.9% or \$0.24 million from Q1 FY2008.

The increase in NPAT for Q1 FY2009 is mainly due to increase in inpatient admission, deliveries and ancillary services, reduction in finance costs as a result of our loan repayment and contribution from our regional hospital consultancy fees.

Consolidated Balance Sheet

Shareholders' Equity

The Group's shareholders' equity increased to \$112.38 million as at 30 November 2008 from \$109.42 million as at 31 August 2008, mainly as a result of the operating profit recorded for the quarter.

Current Assets

The Group's current assets increased by \$6.43 million from \$21.55 to \$27.98 million as at 31 August 2008 and 30 November 2008 respectively mainly as a result of increase in cash and bank balances.

Bank Borrowings

Bank borrowings has been reduced by the repayment of \$0.34 million during the quarter as scheduled.

Other Current Liabilities

Higher payables as at 30 November 2008 as compared to 31 August 2008 was mainly due to the increase in payable to vendors as a result of the completion of recent renovation.

Liquidity

The Group remains in a strong financial position with a cash and bank balance of \$21.6 million as at 30 November 2008.

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 2008 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 our Level 3 inpatient ward in Q1 FY2009 and is currently upgrading the Level 5 inpatient ward to a premier ward.

Besides continuing to expand its current network of satellite Thomson Women's Clinics and attract established O&G specialists to set up their clinic practices in our hospital, the Group will continue to work in partnership with specialists to provide efficient and effective services to our patients.

The Group has recently announced its joint venture with Dr Tay Eng Hseon, an established gynaecological oncologist to set up Thomson Women Cancer Centre ("TWCC"). The establishment of TWCC is in line with the Group's strategy to grow organically.

With the establishment of TWCC, the Group believes it will further strengthen its ability in providing women healthcare services locally as well as in the region. TWCC is scheduled to commence operation in Q3 FY2009 and is not expected to have a material impact to the net profit of the Group in the next 12 months.

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 Group is currently finalising the business plan for its second hospital consultancy project for the proposed women and children's hospital in Hanoi, Vietnam.

In view of the challenging economic situation, the Group will continue to be prudent in its business decisions and cost management. 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? 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(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 quarter ended 30 November 2008 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Dr Cheng Wei Chen
Executive Chairman

13 January 2009