

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

Financial Statement Announcement for the First Quarter Ended 30 November 2009

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

	Group		Change %
	First Quarter Ended		
	30 November 2009 \$'000	30 November 2008 \$'000	
REVENUE	18,789	16,393	14.6
Cost of sales	(10,707)	(9,300)	15.1
GROSS PROFIT	8,082	7,093	13.9
Other operating income	533	326	63.5
Administration expenses	(2,742)	(2,383)	15.1
Other operating expenses	(1,519)	(1,392)	9.1
Finance costs	(24)	(39)	(38.5)
PROFIT BEFORE TAXATION	4,330	3,605	20.1
Taxation	(776)	(763)	1.7
PROFIT FOR THE PERIOD	3,554	2,842	25.1
Statement of Comprehensive Income			
Net profit for the period	3,554	2,842	25.1
Other comprehensive income	-	-	N.M.
Total comprehensive income for the period	3,554	2,842	25.1
Attributable to:			
Equity holders of the company	3,531	2,851	23.9
Non controlling interest	23	(9)	(355.6)
	3,554	2,842	25.1
Net Profit margin (%)	18.9	17.3	
Profit before taxation is arrived at after (charging)/crediting the following:			
Allowance for impairment on trade receivables	-	(19)	
Depreciation of property and equipment	(909)	(809)	
Interest income	28	25	
Property and equipment written off	(40)	(2)	
Share option expense	(142)	(107)	

N.M. denotes not meaningful

Note:

(1) Included in Other Operating Income is an amount of \$302,000 (Q1 FY2009: NIL) Jobs Credit received under the Resilience Package of Budget 2009.

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 2009	31 August 2009	30 November 2009	31 August 2009
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non Current Assets				
Goodwill	146	146	-	-
Property and equipment	106,694	106,922	105,116	105,229
Subsidiaries	-	-	1,577	1,577
	<u>106,840</u>	<u>107,068</u>	<u>106,693</u>	<u>106,806</u>
Current Assets				
Inventories, at cost	1,286	1,163	1,026	930
Trade and other receivables	3,455	3,492	5,182	4,583
Deposits and prepayments	984	773	828	611
Fixed deposits	10,826	10,726	8,000	8,000
Cash and bank balances	13,959	9,841	7,679	4,306
	<u>30,510</u>	<u>25,995</u>	<u>22,715</u>	<u>18,430</u>
TOTAL ASSETS	<u>137,350</u>	<u>133,063</u>	<u>129,408</u>	<u>125,236</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	37,490	37,464	37,490	37,464
Reserves	53,070	52,928	53,070	52,928
Retained earnings	24,441	20,910	19,960	16,613
Attributable to equity holders of the company	<u>115,001</u>	<u>111,302</u>	<u>110,520</u>	<u>107,005</u>
Non controlling interest	24	1	-	-
Total equity	<u>115,025</u>	<u>111,303</u>	<u>110,520</u>	<u>107,005</u>
LIABILITIES				
Non Current Liabilities				
Bank borrowings (secured)	1,020	1,360	1,020	1,360
Deferred taxation	1,664	1,674	1,601	1,616
	<u>2,684</u>	<u>3,034</u>	<u>2,621</u>	<u>2,976</u>
Current Liabilities				
Trade and other payables	15,299	15,113	12,155	11,886
Current tax payable	2,982	2,253	2,752	2,009
Bank borrowings (secured)	1,360	1,360	1,360	1,360
	<u>19,641</u>	<u>18,726</u>	<u>16,267</u>	<u>15,255</u>
TOTAL EQUITY AND LIABILITIES	<u>137,350</u>	<u>133,063</u>	<u>129,408</u>	<u>125,236</u>

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	
	30 November 2009	31 August 2009	30 November 2009	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 30 November 2009		As at 31 August 2009	
Secured	Unsecured	Secured	Unsecured
\$1,360,000	nil	\$1,360,000	nil

AMOUNT REPAYABLE AFTER ONE YEAR

As at 30 November 2009		As at 31 August 2009	
Secured	Unsecured	Secured	Unsecured
\$1,020,000	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 Flow for the:-

	Period Ended	
	30 November 2009	30 November 2008
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	4,330	3,605
Adjustments for :		
Depreciation of property and equipment	909	809
Employee share option expense	142	107
Interest expense	24	39
Interest income	(28)	(25)
Allowance for impairment of trade receivables	-	19
Property and equipment written off	40	2
Operating profit before working capital changes	<u>5,417</u>	<u>4,556</u>
(Increase)/decrease in inventory	(123)	29
Decrease/(increase) in operating receivables	20	(79)
Increase in deposits and prepayments	(212)	(138)
Increase in operating payables	185	3,105
Cash generated from operations	<u>5,287</u>	<u>7,473</u>
Income taxes paid	(56)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>5,231</u>	<u>7,473</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(721)	(826)
Interest received	46	25
NET CASH USED IN INVESTING ACTIVITIES	<u>(675)</u>	<u>(801)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(340)	(340)
Repayment of finance lease obligations	-	(28)
Proceeds from employee share option scheme	26	-
Interest paid	(24)	(40)
Increase in pledged deposits	-	(60)
NET CASH USED IN FINANCING ACTIVITIES	<u>(338)</u>	<u>(468)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,218	6,204
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,356	15,401
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>24,574</u>	<u>21,605</u>

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

Cash and bank balances	13,959	10,955
Fixed deposits	10,826	10,880
	<u>24,785</u>	<u>21,835</u>
Pledged deposits	(211)	(230)
	<u>24,574</u>	<u>21,605</u>

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

THE GROUP

(\$'000)	Attributable to equity holders of the Company					Total equity
	Share capital	Revaluation reserve	Share option reserve	Retained earnings	Non controlling interest	
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
Total comprehensive income for the period	-	-	-	2,851	(9)	2,842
Balance at 30 November 2008	37,464	56,386	257	18,269	68	112,444
Balance at 1 September 2009	37,464	52,386	542	20,910	1	111,303
Employee share option scheme - value of employee services	-	-	142	-	-	142
Issue of shares under employee share option scheme	26	-	-	-	-	26
Total comprehensive income for the period	-	-	-	3,531	23	3,554
Balance at 30 November 2009	37,490	52,386	684	24,441	24	115,025

THE COMPANY

(\$'000)	Attributable to equity holders of the Company					Total equity
	Share capital	Revaluation reserve	Share option reserve	Retained earnings	Non controlling interest	
Balance at 1 September 2008	37,464	56,386	150	12,547	-	106,547
Employee share option scheme - value of employee services	-	-	107	-	-	107
Total comprehensive income for the period	-	-	-	2,460	-	2,460
Balance at 30 November 2008	37,464	56,386	257	15,007	-	109,114
Balance at 1 September 2009	37,464	52,386	542	16,613	-	107,005
Employee share option scheme - value of employee services	-	-	142	-	-	142
Issue of shares under employee share option scheme	26	-	-	-	-	26
Total comprehensive income for the period	-	-	-	3,347	-	3,347
Balance at 30 November 2009	37,490	52,386	684	19,960	-	110,520

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 45,000 ordinary shares at total value of \$25,515 as at 30 November 2009 (30 November 2008: 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 30 November 2009	As at 31 August 2009
Weighted average number of ordinary shares	292,022,434	291,977,434
Adjustment for potential dilutive ordinary shares	454,540	147,627
Weighted average number of ordinary shares	292,476,974	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 did not hold any treasury shares at 30 November 2009.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing SSRE 2410 (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 (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 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 not 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.

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 2009	30 November 2008
Earnings per ordinary share (cents) :		
Based on basic basis ⁽¹⁾	1.21	0.98
Based on fully diluted basis ⁽²⁾	1.21	0.98

(1) Basic earnings per share for the first quarter ended 30 November 2009 and 30 November 2008 have been computed based on 292,022,434 and 291,977,434 ordinary shares respectively.

(2) Diluted earnings per share for the first quarter ended 30 November 2009 and 30 November 2008 have been computed based on the weighted average number of shares which amounted to 292,476,974 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 As at		Company As at	
	30 November 2009	31 August 2009	30 November 2009	31 August 2009
Net asset value per ordinary share (cents)	39.38	38.12	37.85	36.65

Net asset value per ordinary share as at 30 November 2009 and 31 August 2009 have been computed based on 292,022,434 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

The Group's revenue for the first quarter ended 30 November 2009 ("Q1 FY2010") increased by 14.6% to \$18.79 million from \$16.39 million for the first quarter ended 30 November 2008 ("Q1 FY2009"). 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 10.9% or \$1.40 million from \$12.84 million in Q1 FY2009 to \$14.24 million in Q1 FY2010. Revenue from obstetrics, pediatric and neonatology services rose by 14.6% as compared to Q1 FY2009. Patient referrals from the tenant specialists, peripheral specialists and the network of Thomson Women's clinics also increased compared to Q1 FY2009.

The Group delivered 2,478 babies in Q1 FY2010, an increase of 5.0% over Q1 FY2009 deliveries of 2,359. In addition, revenue from diagnostic and fetal assessment services has increased by 13.0% or \$0.16 million to \$1.39 million in Q1 FY 2010 from \$1.23 million in Q1 FY2009.

Revenue from Specialised and Other Services increased by 28.2% or \$1.0 million from \$3.55 million in Q1 FY2009 to \$4.55 million in Q1 FY2010 as a result of increased patient load in the Group's network of Thomson Women's Clinics. Thomson Women Cancer Centre ("TWCC") which commenced operations in Feb 2009 continued to improve in its operation and it also contributed to the revenue in both Hospital Operations and Ancillary Services and Specialised and Other Services business segments during this quarter.

Net Profit After Tax

Net Profit after Tax ("NPAT") for Q1 FY2010 was \$3.55 million, which is 25.1% or \$0.71 million higher than Q1 FY2009 of \$2.84 million.

The Group has recorded jobs credit of \$0.302 million received from the government; excluding this effect, the Group's NPAT would have been \$3.25 million, an increase of 14.4% or \$0.41 million from Q1 FY 2009.

The increase in NPAT for Q1 FY2010 is mainly due to increase in inpatient admission, deliveries and ancillary services.

Consolidated Balance Sheet

Shareholders' Equity

The Group's shareholders' equity increased to \$115.00 million as at 30 November 2009 from \$111.30 million as at 31 August 2009, mainly as a result of the operating profit recorded for the quarter.

Fixed Assets

For this quarter, based on a desk top valuation, the value of the freehold land and building is approximately \$7 million higher than its carrying amounts. The Group will be performing a full valuation in respect of its freehold land and building in 4QFY2010 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 \$4.52 million from \$25.99 million to \$30.51 million as at 31 August 2009 and 30 November 2009 respectively mainly as a result of increase in cash and bank balances.

Bank Borrowings

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

Other Current Liabilities

Higher payables as at 30 November 2009 as compared to 31 August 2009 was mainly due to provision for taxation for the current quarter and increase in payables to trade suppliers and accrued expenses as a result of the increased in cost of sales and administrative and other operating expenses respectively.

Liquidity

The Group remains in a strong financial position with fixed deposits, cash and bank balance of \$24.79 million as at 30 November 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 Q4 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

FY2010 took off to a good start for Thomson Medical Centre Limited when it was announced as the overall winner of the Singapore Prestige Brand Award 2009 (SPBA) - Heritage Brands category. The SPBA Heritage Brands category pays tribute to time-honoured homegrown brands which have embraced exceptional brand practices for more than 30 years.

A 6-time winner of the SPBA from 2004 to 2009, Thomson Medical was also the first company to be inducted into the SPBA - Hall of Fame - a prestigious and elite circle of brands which are recognized and honoured for consistent and extraordinary effectiveness in developing and managing their brands

The Group continued to see a healthy growth in deliveries and admissions and has experienced a consistent high occupancy for its resort-style patient wards. The Group also has a wide choice of affordable room types in our hospital to suit individual patient's needs.

A senior O&G specialist is expected to take up clinic tenancy in the hospital in Q3 FY2010 which will further add to the utilisation of our hospital's facilities and services, In addition, the Group is targeting to open a new Thomson Women's Clinic in Q3 FY2010 and will work towards expanding its network of women's satellite clinics under Thomson Women's Clinic to provide better outreach to the neighbourhoods.

The recently-opened Thomson Women Cancer Centre has started to contribute positively to the Group's performance and is expected to be one of the main growth drivers for FY2010.

On 1 January 2010, Thomson Medical Centre Limited entered into a Joint Venture Agreement with Dr Ang Poon Liat and Dr Ang Ai Tin to set up Thomson Paediatric Centre Pte Ltd (TPC) to operate Thomson Paediatric Centre.

Drs Ang Poon Liat and Ang Ai Tin are both senior paediatric consultants with many years of experience. Besides his practice in general paediatrics, care of newborns and children, Dr Ang Poon Liat also attends to children with nutritional and behavioural problems. Dr Ang Ai Tin specializes in managing prematured and sick babies who require tertiary intensive care and has a keen interest in childhood skin disorders.

The joint venture is in line with the Group's strategy to grow organically by entering into the management of children's health and also in tapping the strong brand name of Thomson Medical.

Hanh Phuc International Women and Children Hospital, the Group's consultancy and management project in Binh Duong Province in Vietnam, is slated to commence operations in the third quarter of FY2010.

The Group has completed the business plan for its second hospital consultancy project for the proposed women and children's hospital in Hanoi, Vietnam. The next phase of consultancy work for this project will commence after a suitable land site in Hanoi has been identified.

Encouraged by the improving economic environment and barring unforeseen circumstances, the Board of Directors expects the Group to remain profitable in FY2010.

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 quarter ended 30 November 2009 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Dr Cheng Wei Chen
Executive Chairman

11 January 2010