

Thomson Medical Group Limited and its Subsidiaries
(Company Registration No: 199908381D)

Condensed Interim Financial Statements
For the six months and full year ended 30 June 2022



THOMSON MEDICAL GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 199908381D)

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THOMSON MEDICAL GROUP LIMITED
(Incorporated in the Republic of Singapore)
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Condensed Interim Consolidated Statement of Profit or Loss

	Note	6 months ended 30 June			12 months ended 30 June		
		2022 \$'000 (Unaudited)	2021 \$'000 (Unaudited)	Change %	2022 \$'000 (Audited)	2021 \$'000 (Audited)	Change %
Revenue	5	188,327	123,758	52.2	333,706	240,398	38.8
Other income		4,867	3,796	28.2	9,816	11,939	(17.8)
Inventories and consumables used		(28,675)	(24,950)	14.9	(55,321)	(49,502)	11.8
Staff costs		(58,537)	(41,186)	42.1	(107,920)	(74,880)	44.1
Depreciation and amortisation expenses		(9,371)	(8,806)	6.4	(17,930)	(17,954)	(0.1)
Other operating expenses		(35,697)	(29,896)	19.4	(70,544)	(61,189)	15.3
Results from operating activities		60,914	22,716	168.2	91,807	48,812	88.1
Finance income		512	438	16.9	988	980	0.8
Finance costs		(12,024)	(11,317)	6.2	(23,497)	(23,610)	(0.5)
Net finance costs		(11,512)	(10,879)	5.8	(22,509)	(22,630)	(0.5)
Profit before taxation	6	49,402	11,837	317.4	69,298	26,182	164.7
Income tax expense	7	(4,768)	(4,662)	2.3	(10,713)	(9,272)	15.5
Profit for the period/year		44,634	7,175	522.1	58,585	16,910	246.5
Profit attributable to:							
Owners of the Company		41,277	6,136	572.7	53,762	14,237	277.6
Non-controlling interest		3,357	1,039	223.1	4,823	2,673	80.4
Profit for the period/year		44,634	7,175	522.1	58,585	16,910	246.5
EBITDA		70,285	31,522	123.0	109,737	66,766	64.4

NM – Not meaningful

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Condensed Interim Consolidated Statement of Other Comprehensive Income

	6 months ended 30 June			12 months ended 30 June			
	2022 \$'000	2021 \$'000	Change %	2022 \$'000	2021 \$'000	Change %	
	Note (Unaudited)	(Unaudited)		(Audited)	(Audited)		
Profit for the period/year		44,634	7,175	522.1	58,585	16,910	246.5
Other comprehensive income:							
<u>Item that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation		(12,452)	(9,093)	(37.0)	(12,292)	(2,990)	(311.1)
<u>Item that will not be reclassified to profit or loss</u>							
Net change in fair value of financial assets at fair value through other comprehensive income		975	–	NM	975	–	NM
Other comprehensive income for the period/year, net of tax		(11,477)	(9,093)	(26.2)	(11,317)	(2,990)	(278.5)
Total comprehensive income for the period/year		33,157	(1,918)	NM	47,268	13,920	239.6
Attributable to:							
Owners of the Company		32,700	(858)	NM	45,315	11,944	279.4
Non-controlling interests		457	(1,060)	NM	1,953	1,976	(1.2)
Total comprehensive income for the period/year		33,157	(1,918)	NM	47,268	13,920	239.6
Earnings per share for profit for the period/year attributable to the owners of the Company during the period/year (cents)							
Basic ⁽¹⁾		0.156	0.023	578.3	0.203	0.054	275.9
Diluted ⁽²⁾		0.156	0.023	578.3	0.203	0.054	272.9

⁽¹⁾ The calculation of basic and diluted earnings per share was based on weighted average number of shares in issue of 26,441,066,807 (2021: 26,441,016,807) for Second Half Year and Full Year.

⁽²⁾ The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares.

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Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2022 \$'000 (Audited)	30 June 2021 \$'000 (Audited)	30 June 2022 \$'000 (Audited)	30 June 2021 \$'000 (Audited)
ASSETS					
Non-current assets					
Property and equipment	10	444,027	435,192	310	98
Intangible assets	11	484,061	486,749	–	–
Investment properties	12	99,629	102,115	–	–
Right-of-use assets		13,425	11,254	541	799
Investment in subsidiaries		–	–	2,209,127	2,214,498
Investment in joint venture		*	–	–	–
Deferred tax assets		919	–	–	–
Other investment	13	2,335	–	–	–
		1,044,396	1,035,310	2,209,978	2,215,395
Current assets					
Development property	14	93,225	95,498	–	–
Inventories		5,584	5,399	–	–
Trade and other receivables		60,147	26,893	615,695	614,242
Cash and short-term deposits		161,591	122,678	84,256	57,723
		320,547	250,468	699,951	671,965
Total assets		1,364,943	1,285,778	2,909,929	2,887,360
Current liabilities					
Contract liabilities		3,802	3,663	–	–
Trade and other payables		86,541	65,601	8,738	8,456
Income tax payable		15,170	7,945	–	–
Interest-bearing loans and borrowings	15	227,679	321	225,000	–
Lease liabilities		5,309	5,796	246	234
		338,501	83,326	233,984	8,690
Net current (liabilities)/assets		(17,954)	167,142	465,967	663,275
Non-current liabilities					
Deferred tax liabilities		7,353	10,618	–	–
Interest-bearing loans and borrowings	15	401,421	619,084	325,754	562,765
Lease liabilities		8,447	5,874	284	530
Provisions		879	842	35	35
		418,100	636,418	326,073	563,330
Total liabilities		756,601	719,744	560,057	572,020
Net assets		608,342	566,034	2,349,872	2,315,340
Equity attributable to owners of the Company					
Share capital	16	2,364,503	2,364,497	2,364,503	2,364,497
Retained earnings/(accumulated losses)		148,546	98,264	(14,631)	(49,157)
Other reserves		(1,981,368)	(1,972,921)	–	–
		531,681	489,840	2,349,872	2,315,340
Non-controlling interests		76,661	76,194	–	–
Total equity		608,342	566,034	2,349,872	2,315,340
Total equity and liabilities		1,364,943	1,285,778	2,909,929	2,887,360

*Amount less than \$1,000

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Condensed Interim Statements of Changes in Equity

Group	Attributable to owners of the Company					Total reserves	Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Merger reserve	Foreign currency translation reserve	Capital reserve				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2021	2,364,497	98,264	(1,842,369)	(83,424)	(47,128)	(1,972,921)	489,840	76,194	566,034
Profit for the period	–	12,485	–	–	–	–	12,485	1,466	13,951
<u>Other comprehensive income</u>									
Foreign currency translation	–	–	–	130	–	130	130	30	160
Other comprehensive income for the period, net of tax	–	–	–	130	–	130	130	30	160
Total comprehensive income for the period	–	12,485	–	130	–	130	12,615	1,496	14,111
<u>Contributions by and distributions to owners</u>									
Grant of equity-settled share options to employees	–	–	–	–	–	–	–	38	38
Dividends on ordinary shares	–	(3,966)	–	–	–	–	(3,966)	–	(3,966)
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	(1,014)	(1,014)
Total contributions by and distributions to owners	–	(3,966)	–	–	–	–	(3,966)	(976)	(4,942)
<u>Others</u>									
Lapsed employees' share options	–	525	–	–	–	–	525	(525)	–
Total others	–	525	–	–	–	–	525	(525)	–
At 31 December 2021	2,364,497	107,308	(1,842,369)	(83,294)	(47,128)	(1,972,791)	499,014	76,189	575,203

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Condensed Interim Statements of Changes in Equity (cont'd)

Group	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Merger reserve	Foreign currency translation reserve	Capital reserve	Fair value reserve	Total reserves			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2022	2,364,497	107,308	(1,842,369)	(83,294)	(47,128)	–	(1,972,791)	499,014	76,189	575,203
Profit for the period	–	41,277	–	–	–	–	–	41,277	3,357	44,634
<u>Other comprehensive income</u>										
Foreign currency translation	–	–	–	(9,552)	–	–	(9,552)	(9,552)	(2,900)	(12,452)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	975	975	975	–	975
Other comprehensive income for the period, net of tax	–	–	–	(9,552)	–	975	(8,577)	(8,577)	(2,900)	(11,477)
Total comprehensive income for the period	–	41,277	–	(9,552)	–	975	(8,577)	32,700	457	33,157
<u>Contributions by and distributions to owners</u>										
Share issued on conversion of warrants	6	–	–	–	–	–	–	6	–	6
Grant of equity-settled share options to employees	–	–	–	–	–	–	–	–	36	36
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	(60)	(60)
Total contributions by and distributions to owners	6	–	–	–	–	–	–	6	(24)	(18)
<u>Others</u>										
Adjustment to lapsed employees' share options	–	(39)	–	–	–	–	–	(39)	39	–
Total others	–	(39)	–	–	–	–	–	(39)	39	–
At 30 June 2022	2,364,503	148,546	(1,842,369)	(92,846)	(47,128)	975	(1,981,368)	531,681	76,661	608,342

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Condensed Interim Statements of Changes in Equity (cont'd)

Group	Attributable to owners of the Company								
	Share capital \$'000	Retained earnings \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Total reserves \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 July 2020	2,364,497	84,027	(1,842,369)	(81,131)	(47,128)	(1,970,628)	477,896	74,964	552,860
Profit for the period	–	8,101	–	–	–	–	8,101	1,634	9,735
<u>Other comprehensive income</u>									
Foreign currency translation	–	–	–	4,701	–	4,701	4,701	1,402	6,103
Other comprehensive income for the period, net of tax	–	–	–	4,701	–	4,701	4,701	1,402	6,103
Total comprehensive income for the period	–	8,101	–	4,701	–	4,701	12,802	3,036	15,838
<u>Contributions by and distributions to owners</u>									
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	(691)	(691)
Total contributions by and distributions to owners	–	–	–	–	–	–	–	(691)	(691)
At 31 December 2020	2,364,497	92,128	(1,842,369)	(76,430)	(47,128)	(1,965,927)	490,698	77,309	568,007
At 1 January 2021	2,364,497	92,128	(1,842,369)	(76,430)	(47,128)	(1,965,927)	490,698	77,309	568,007
Profit for the period	–	6,136	–	–	–	–	6,136	1,039	7,175
<u>Other comprehensive income</u>									
Foreign currency translation	–	–	–	(6,994)	–	(6,994)	(6,994)	(2,099)	(9,093)
Other comprehensive income for the period, net of tax	–	–	–	(6,994)	–	(6,994)	(6,994)	(2,099)	(9,093)
Total comprehensive income for the period	–	6,136	–	(6,994)	–	(6,994)	(858)	(1,060)	(1,918)
<u>Contributions by and distributions to owners</u>									
Grant of equity-settled share options to employees	–	–	–	–	–	–	–	65	65
Dividends paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	(120)	(120)
Total contributions by and distributions to owners	–	–	–	–	–	–	–	(55)	(55)
At 30 June 2021	2,364,497	98,264	(1,842,369)	(83,424)	(47,128)	(1,972,921)	489,840	76,194	566,034

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Condensed Interim Statements of Changes in Equity

Company	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 July 2021	2,364,497	(49,157)	2,315,340
Profit for the period, representing total comprehensive income for the period	–	15,353	15,353
<u>Contributions by and distributions to owners</u>			
Dividends on ordinary shares	–	(3,966)	(3,966)
	–	(3,966)	(3,966)
At 31 December 2021	2,364,497	(37,770)	2,326,727
At 1 January 2022	2,364,497	(37,770)	2,326,727
Profit for the period, representing total comprehensive income for the period	–	23,139	23,139
<u>Contributions by and distributions to owners</u>			
Share issued on conversion of warrants	6	–	6
	6	–	6
At 30 June 2022	2,364,503	(14,631)	2,349,872
At 1 July 2020	2,364,497	(62,319)	2,302,178
Profit for the period, representing total comprehensive income for the period	–	9,176	9,176
At 31 December 2020	2,364,497	(53,143)	2,311,354
At 1 January 2021	2,364,497	(53,143)	2,311,354
Profit for the period, representing total comprehensive income for the period	–	3,986	3,986
At 30 June 2021	2,364,497	(49,157)	2,315,340

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Condensed Interim Consolidated Statement of Cash Flows

	12 months ended 30 June	
	2022	2021
	\$'000	\$'000
	(Audited)	(Audited)
Operating activities		
Profit before taxation	69,298	26,182
<u>Adjustments for:</u>		
Allowance for expected credit losses on trade receivables, net	150	409
Amortisation of financing fees on bank loan	989	1,408
Depreciation of property and equipment, investment properties and right-of-use assets	17,556	17,537
Amortisation of intangible assets	374	417
Gain on derecognition of leases	(52)	–
(Gain)/loss on disposal of property and equipment	(23)	185
Property and equipment written off	23	17
Finance income	(988)	(980)
Finance costs	22,508	22,202
Unrealised exchange loss	60	17
Grant of equity-settled share options to employees	74	65
Impairment loss on goodwill	146	–
Total adjustments	40,817	41,277
Operating cash flows before changes in working capital	110,115	67,459
<u>Changes in working capital:</u>		
(Increase)/decrease in inventories	(267)	730
Increase in trade and other receivables	(32,940)	(4,844)
Increase in trade and other payables and contract liabilities	23,280	3,423
Total changes in working capital	(9,927)	(691)
Cash flows from operations	100,188	66,768
Interest income received	927	1,025
Income taxes paid	(8,313)	(6,540)
Net cash flows from operating activities	92,802	61,253
Investing activities		
Purchase of property and equipment	(27,753)	(37,290)
Purchase of intangible assets	(372)	(340)
Purchase of other investment	(1,360)	–
Proceeds from disposal of property and equipment	49	58
Net cash flows used in investing activities	(29,436)	(37,572)

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Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	12 months ended 30 June	
	2022	2021
	\$'000	\$'000
	(Audited)	(Audited)
Financing activities		
Repayment of interest-bearing loans and borrowings	(13,316)	(285,160)
Proceeds from interest-bearing loans and borrowings	23,529	254,256
Changes in pledged deposits	(105)	1,881
Proceeds from conversion of warrants	6	–
Dividends paid on ordinary shares	(3,966)	–
Dividends paid to non-controlling interests of subsidiaries	(1,074)	(811)
Payment of principal portion of lease liabilities	(6,445)	(6,736)
Interest paid	(22,112)	(22,251)
Net cash flows used in financing activities	(23,483)	(58,821)
Net increase/(decrease) in cash and cash equivalents	39,883	(35,140)
Effect of exchange rate changes on cash and cash equivalents	(1,075)	(276)
Cash and cash equivalents at 1 July	112,091	147,507
Cash and cash equivalents at 30 June	150,899	112,091

Note:

Cash at banks and on hand	60,643	70,688
Short-term deposits	100,948	51,990
Total cash and short-term deposits	161,591	122,678
Less: Pledge deposits	(10,692)	(10,587)
Cash and cash equivalents at 30 June	150,899	112,091

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Thomson Medical Group Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 101 Thomson Road, #20-04/05, United Square, Singapore 307591.

The principal activities of the Company are those of investments, investment holding and strategic investments and other related activities. The principal activities of the subsidiaries are principally engaged in operating hospital and clinics and provision of healthcare services.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the interim financial statements for the period ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore Dollars (\$) or SGD) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Significant accounting judgements and estimates

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In preparing the condensed interim financial statements, the key assumptions concerning the future and other key sources of estimation uncertainty are consistent with that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial period are included in the following notes:

- (a) Note 11 - Impairment testing of goodwill
- (b) Note 10 - Impairment testing of property and equipment attributable to BB Waterfront Sdn Bhd
- (c) Note 12 and Note 14 - Valuation of investment properties and development property

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3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

For management purposes, the Group is organised into business units based on their products and services as follows:

(a) Hospital services

Hospital services comprise the provision of integrated medical healthcare facilities and services for primary, secondary and tertiary healthcare with focus on the areas of obstetrics and gynaecology and paediatric services, diagnostic imaging services, pharmacy, 24-hour outpatient services, laboratory and services provided by outpatient clinics at the hospital.

(b) Specialised services

The specialised services segment includes services provided by the fertility clinics, paediatric centres, cancer centre, cardiology centre, Chinese medicine, specialist skin centre and a pre-natal and clinical diagnostic laboratory and project-related services such as managing vaccination centres, Covid-19 Treatment Facilities and Transitional Care Facilities. It also includes a consumer business segment, comprising products and services.

(c) Investment holdings

Investment holding and those relating to investment and development properties.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

4.1 Reportable segments

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
12 months ended 30 June 2022	\$'000	\$'000	\$'000	\$'000		\$'000
Revenue:						
External customers	162,516	170,900	290	–		333,706
Inter-segment revenue	–	1,492	15	(1,507)	A	–
Total revenue	162,516	172,392	305	(1,507)		333,706
Results:						
Finance income	586	78	324	–		988
Finance costs	(792)	(388)	(22,317)	–		(23,497)
Depreciation and amortisation	(9,805)	(7,449)	(676)	–		(17,930)
Segment profit/(loss) before taxation	37,136	56,829	(24,667)	–		69,298
Assets:						
Additions to non-current assets	25,316	4,288	2,624	–	B	32,228
Investment in joint venture	–	–	*	–		*
Segment assets	1,039,868	38,322	282,246	–		1,360,436
Segment liabilities	146,385	27,210	560,483	–		734,078

*Amount less than \$1000

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4.1 Reportable segments (cont'd)

	Hospital services	Specialised services	Investment holdings	Elimination	Note	Consolidated
12 months ended 30 June 2021	\$'000	\$'000	\$'000	\$'000		\$'000
Revenue:						
External customers	142,454	97,674	270	–		240,398
Inter-segment revenue	–	1,574	21	(1,595)	A	–
Total revenue	142,454	99,248	291	(1,595)		240,398
Results:						
Finance income	614	102	264	–		980
Finance costs	(88)	(433)	(23,089)	–		(23,610)
Depreciation and amortisation	(9,502)	(7,760)	(692)	–		(17,954)
Segment profit/(loss) before taxation	39,595	11,100	(24,513)	–		26,182
Assets:						
Additions to non-current assets	41,825	5,134	781	–	B	47,740
Segment assets	989,601	35,401	257,878	–		1,282,880
Segment liabilities	101,960	26,920	572,301	–		701,181

Notes

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of additions to property and equipment, intangible assets, investment properties, right-of-use assets and other investment.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	12 months ended 30 June		30 June	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore	254,602	174,370	594,623	591,518
Malaysia	79,104	66,028	449,773	443,792
	333,706	240,398	1,044,396	1,035,310

Non-current assets information presented above consist of property and equipment, intangible assets, investment properties, right-of-use assets and other investment as presented in the consolidated statement of financial position.

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4.2 A breakdown of sales

	Group		
	30 June 2022	30 June 2021	Change
	\$'000	\$'000	%
(a) Sales reported for the first half year	145,379	116,640	24.6
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	13,951	9,735	43.3
(c) Sales reported for the second half year	188,327	123,758	52.2
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	44,634	7,175	522.1

5 Disaggregation of revenue

	Group			
	6 months ended 30 June 2022		12 months ended 30 June 2021	
	\$'000	\$'000	\$'000	\$'000
<u>Major product or service lines</u>				
Rendering of services, including sale of goods	186,479	122,229	330,225	237,316
Rental income	1,848	1,529	3,481	3,082
	188,327	123,758	333,706	240,398
<u>Timing of revenue recognition</u>				
At a point in time	183,944	119,936	325,140	232,799
Over time	4,383	3,822	8,566	7,599
	188,327	123,758	333,706	240,398

6. Profit before taxation

The following items have been included in arriving at profit before taxation:

	Group			
	6 months ended 30 June 2022		12 months ended 30 June 2021	
	\$'000	\$'000	\$'000	\$'000
Allowance for expected credit losses on trade receivables, net	14	279	150	409
Depreciation of property and equipment, investment properties and right-of-use assets	9,204	8,591	17,556	17,537
Amortisation of intangible assets	167	215	374	417
Net (gain)/loss on disposal of property and equipment	(23)	181	(23)	185
Property and equipment written off	23	6	23	17

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7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement profit or loss are:

	Group			
	6 months ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- current income taxation	9,189	4,402	14,861	8,850
- (over)/under provision in respect of previous years	(143)	186	(95)	54
	9,046	4,588	14,766	8,904
Deferred income tax				
- origination and reversal of temporary differences	(4,461)	64	(4,233)	358
- under provision in respect of previous years	183	10	180	10
	(4,278)	74	(4,053)	368
Income tax expense	4,768	4,662	10,713	9,272

8. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

9. Net asset value

	Group		Company	
	2022	2021	2022	2021
Net asset value per ordinary share (cents)	2.30	2.14	8.89	8.76

The calculation of net asset value per ordinary share was based on 26,441,066,807 shares as at 30 June 2022 (2021: 26,441,016,807).

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10. Property and equipment

During the year ended 30 June 2022, the Group acquired assets amounting to \$25,774,000 (30 June 2021: \$42,153,000) and disposed of assets with a net book value amounting to \$49,000 (30 June 2021: \$260,000).

Impairment testing of property and equipment attributable to BB Waterfront Sdn Bhd (BBWF)

The property and equipment attributable to BBWF comprises mainly freehold land located within the Iskandar Development Region, Johor Bahru, Malaysia, and is carried at cost less accumulated depreciation and any accumulated impairment loss. The recoverable amount of the CGU to which these assets are attributable to is determined based on BBWF's value-in-use calculation. The value-in-use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 11 to the interim financial statements in conjunction with the impairment of goodwill allocated to BBWF.

As at 30 June 2022, the carrying value of BBWF's property and equipment amounted to \$86,353,000 (2021: \$88,304,000).

11. Intangible assets

Group	Goodwill \$'000	Computer software \$'000	Brand name \$'000	Customer relationship \$'000	Hospital management \$'000	Total \$'000
At 30 June 2021						
Cost	486,043	2,393	200	2,812	698	492,146
Accumulated amortisation and impairment	–	(1,710)	(177)	(2,812)	(698)	(5,397)
Net carrying amount	486,043	683	23	–	–	486,749
Cost						
At 1 July 2021	486,043	2,393	200	2,812	698	492,146
Additions	–	372	–	–	–	372
Exchange differences	(2,525)	(51)	–	–	–	(2,576)
At 30 June 2022	483,518	2,714	200	2,812	698	489,942
Accumulated amortisation and impairment						
At 1 July 2021	–	1,710	177	2,812	698	5,397
Amortisation	–	351	23	–	–	374
Impairment loss	146	–	–	–	–	146
Exchange differences	–	(36)	–	–	–	(36)
At 30 June 2022	146	2,025	200	2,812	698	5,881
Net carrying amount						
At 30 June 2022	483,372	689	–	–	–	484,061

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11. Intangible assets (cont'd)

Impairment testing of goodwill

Goodwill is derived from the excess of purchase consideration over the fair value of the identifiable net assets acquired. Goodwill arising from business combinations has been allocated to the following cash-generating units (CGUs) for impairment testing:

	Group	
	2022	2021
	\$'000	\$'000
Thomson Medical Pte Ltd (TMPL)	379,788	379,788
Clinic	–	146
TMC Life Sciences Berhad (TMCLS)	42,601	43,639
BB Waterfront Sdn Bhd (BBWF)	60,983	62,470
	483,372	486,043

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period, except for BBWF. BBWF owns Thomson Iskandar, a medical hub project under construction and development in Malaysia. The cash flow projections used in the value-in-use calculations for BBWF were based on financial budgets approved by management covering a fifteen-year period which comprises an initial five-year period of construction and development, followed by a ten-year period of medical hub operations and an imputed terminal growth thereafter.

The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow beyond the forecasted period are as follows:

	Terminal growth rates (%)		Discount rates (%)	
	2022	2021	2022	2021
TMPL	3.0	3.0	7.0	5.9
TMCLS	4.0	4.0	9.0	7.0
BBWF	3.0	3.0	9.7	6.6

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

Growth rates – The growth rates indicated are estimated by management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Pre-tax discount rates – Discount rates reflect management's estimate of risks specific to each CGU.

Sensitivity to changes in assumptions

With regards to the assessment of value in use for the CGUs, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

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12. Investment properties

Group	Freehold land \$'000	Building \$'000	Total \$'000
At 30 June 2021			
Cost	160,671	1,773	162,444
Accumulated depreciation and impairment	(60,034)	(295)	(60,329)
Net carrying amount	100,637	1,478	102,115
Cost			
At 1 July 2021			
Exchange differences	(3,823)	(42)	(3,865)
At 30 June 2022			
	156,848	1,731	158,579
Accumulated depreciation and impairment			
At 1 July 2021			
Charge for the year	–	57	57
Exchange differences	(1,429)	(7)	(1,436)
At 30 June 2022			
	58,605	345	58,950
Net carrying amount			
At 30 June 2022			
	98,243	1,386	99,629

The investment properties include a piece of freehold land located within the Iskandar Development Region, Johor Bahru, Malaysia.

Asset not measured at fair value, for which fair value is disclosed

The fair value of the freehold land included in investment properties as at the end of the reporting period is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is determined by an independent professional valuer, using the direct comparison method. The direct comparison method involves the analysis and study of recent sales evidence of similar properties in comparable developments in the subject/comparable vicinities. The significant unobservable input used in the direct comparison method is the price per square foot of MYR610 (2021: MYR610). Significant increases/decreases in price per square foot would result in a significantly higher/lower fair value measurement.

13. Other investment

	Group	
	2022 \$'000	2021 \$'000
<i>Equity instrument designated at fair value through OCI</i>		
<u>Non-listed equity investment</u>		
Whitecoat Global Holdings Pte. Ltd.	2,335	–

The Group holds 3.00% equity interest in this company. The Group has elected to measure this investment at FVOCI due to the Group's intention to hold the equity instrument for long-term appreciation. As at 30 June 2022, a fair value gain of \$975,000 has been recognised in other comprehensive income.

13. Other investment (cont'd)

Measurement of fair value

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets measured at fair value*

The following table shows an analysis of the assets measured at fair value at the end of the reporting period:

	Group			Carrying amount S\$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
2022				
<u>Financial assets designated fair value through OCI:</u>				
Non-listed equity investment	–	–	2,335	2,335

Information about significant unobservable inputs used in Level 3 fair value measurements

The equity investment is not traded in an active market. The fair value of the Group's equity investment as at 30 June 2022 is estimated with reference to the recent subscription price of shares issued close to the end of the financial year. As the fair value of the equity investment is determined based on unobservable inputs, the fair value is classified as a Level 3 measurement.

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14. Development property

	Group	
	2022	2021
	\$'000	\$'000
Cost	148,100	151,710
Accumulated impairment losses	(54,875)	(56,212)
Carrying amount	93,225	95,498

The development property held by the Group relates to the land under development within the Iskandar Development Region, Johor Bahru, Malaysia.

Management estimated the recoverable amount of the property based on the fair value carried out by an independent professional valuer using the direct comparison method as disclosed in Note 12.

15. Interest-bearing loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current:				
Secured bank loans	2,679	321	–	–
Medium-term notes	225,000	–	225,000	–
	227,679	321	225,000	–
Non-current:				
Secured bank loans	226,801	220,186	151,134	163,867
Medium-term notes	174,620	398,898	174,620	398,898
	401,421	619,084	325,754	562,765
Total interest-bearing loans and borrowings	629,100	619,405	550,754	562,765

Secured bank loans

Bank loan of the Company is secured by a charge over certain shares of the subsidiaries and cross guarantees provided by the Company and subsidiaries of the Company.

Bank loans of the subsidiaries amounting to \$78,346,000 (2021: \$56,640,000) are secured by a charge over certain shares and assets of the subsidiaries and cross guarantee provided by the Company and subsidiaries of the Company.

Medium-term notes

Two tranches of medium-term notes were issued pursuant to the \$500 million multicurrency debt issuance programme. The first tranche of 3-year \$225 million 4.8% notes was due in July 2022 and this has been fully redeemed on 18 July 2022. The second tranche of 5-year \$175 million 4.05% notes is due in January 2025.

The interest is payable semi-annually and the Notes are secured by a charge over interest reserve accounts which are equal to 6 months' interest payable on the Notes.

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16. Share capital

	Group and Company			
	2022		2021	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At beginning of the year	26,441,017	2,364,497	26,441,017	2,364,497
Shares issued on conversion of warrants	50	6	–	–
At end of the year	<u>26,441,067</u>	<u>2,364,503</u>	<u>26,441,017</u>	<u>2,364,497</u>

The Company does not hold any treasury shares as at 30 June 2022 and 30 June 2021.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2022 and 30 June 2021.

17. Subsequent events

- (a) On 11 July 2022, a wholly-owned dormant subsidiary of the Group, VB2 Property Sdn Bhd, has been struck off from the Companies Commission of Malaysia.
- (b) The Group obtained a new loan facility in May 2022 and fully drew down S\$225 million on 12 July 2022 for the settlement of 3-year \$225 million 4.8% medium term notes. The interest on the new loan is charged based on floating interest rate and will mature and be repayable in full in 2027.
- (c) On 18 July 2022, the Group has fully redeemed the first tranche of 3-year \$225 million 4.8% medium term notes.
- (d) On 21 July 2022, the Group has entered into an Interest Rate Swap Transaction with a notional amount of S\$25 million to partially hedge the floating interest rate of a secured bank loan into fixed interest rate for two years.

Other Information Required by Listing Rule Appendix 7.2

1. Where the figures have been audit or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of cash flows of the Group for the financial year ended 30 June 2021 and statement of financial position of the Group and Company as at 30 June 2022 have been audited in accordance with Singapore Standards on Auditing.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) 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; and**
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

2H2022 compared with 2H2021

The Group posted a revenue growth of 52.2% from \$123.8 million in 2H2021 to \$188.3 million in 2H2022. Revenue from the Hospital and Specialised Services segments grew by 15.8% and 102.1% respectively. The growth was mainly attributed to the increase in overall patient loads and higher average bill sizes as a result of business recovery from COVID-19 impact. In Singapore, the revenue growth was further augmented by the additional income received from project related services such as managing the vaccination centres and the management of Transitional Care Facilities ("TCFs") and previously, Covid-19 Treatment Facilities ("CTFs"). (A TCF is an interim, transitional care facility designed to take in long-staying, non Covid-19, patients from a general hospital.) While in Malaysia, revenue continues to improve due to higher patient loads and higher case intensity handled, as well as the opening of new expansion wing at Thomson Hospital Kota Damansara ("**THKD**") during 2H2022.

The Group's EBITDA grew by 123.0% from \$31.5 million to \$70.3 million during 2H2022. The growth was mainly due to higher revenue recorded during the period.

Other income was higher at \$4.9 million during 2H2022. The increase was mainly due to higher government grant received under the Jobs Support Scheme and property tax rebates granted by the Singapore Government compared to the same period last year.

Other operating expenses were higher at \$35.7 million during 2H2022. The increase was mainly due to the higher professional fees paid to doctors and commissioning costs incurred for the new expansion wings at THKD. Staff costs were higher by 42.1% compared to the same period last year, which mainly arises from the hiring ramp-up in Malaysia due to the opening of the new expansion wing at THKD, the additional resources incurred in Singapore to manage the vaccination centres and the treatment facilities, and general salary adjustments in a bid to maintain salary competitiveness for our staff.

Net finance costs were higher by \$0.6 million due to the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use during 2H2022.

Income tax expense was higher mainly due to higher taxable profits, which is partially offset by the recognition of a non-cash deferred tax credit arising from the investment tax allowance in Malaysia.

As a result of the above, the Group recorded a net profit after tax of \$44.6 million in 2H2022 compared to \$7.2 million in 2H2021.

FY2022 compared with FY2021

Revenue for FY2022 grew by 38.8% or \$93.3 million from \$240.4 million in FY2021 to \$333.7 million. Revenue from Hospital and Specialised Services segments grew by 14.1% and 75.0% respectively. The growth was mainly due to higher overall patient loads and increase in average bill sizes as a result of business recovery from COVID-19 impact. In Singapore the revenue growth was further augmented by the additional income received from managing the vaccination centres and the management of TCFs and previously, CTFs. While in Malaysia revenue continues to improve due to higher patient loads and case intensity handled, as well as the opening of new expansion wing at THKD.

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The Group's EBITDA grew by 64.4% from \$66.8 million to \$109.7 million in FY2022 due to higher revenue recorded during the year.

Other income was lower at \$9.8 million during FY2022. The decrease was mainly due to lower government grant received under the Jobs Support Scheme and property tax rebates granted by the Singapore Government.

Other operating expenses were higher at \$70.5 million during FY2022. The increase was mainly due to the higher professional fees paid to doctors and commissioning costs incurred for the new expansion wings at THKD. Staff costs were higher by 44.1% compared to the last year, which mainly arises from the hiring ramp-up in Malaysia due to the opening of the new expansion wing at THKD, the additional resources incurred in Singapore to manage the vaccination centres and the TCFs and previously, CTFs, and general salary adjustments in a bid to maintain salary competitiveness for our staff.

Net finance costs were lower by \$0.1 million due to lower interest rates during FY2022 compared to last year, which is partially offset by the recognition of interest on bank loan relating to the new expansion wing at THKD upon its commencement of use in 2H2022.

Income tax expense was higher mainly due to higher taxable profits, which is partially offset by the recognition of a non-cash deferred tax credit arises from the investment tax allowance in Malaysia.

As a result of the above, the Group recorded a net profit after tax of \$58.6 million in FY2022 compared to \$16.9 million last year.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Total assets of the Group of \$1.36 billion as at 30 June 2022 were higher compared to \$1.29 billion as at 30 June 2021. The increase was mainly due to the increase in property and equipment of \$8.1 million, the increase in trade and other receivables as a result of higher revenue generated, and the higher net cash flow generated during the year.

Total liabilities of the Group of \$756.6 million as at 30 June 2022 were higher compared to \$719.7 million as at 30 June 2021. The increase was mainly due to the increase in trade and other payables as a result of higher operating expenses incurred, the higher income tax provision arises from the higher taxable profits, and the additional loans drawdown to fund the construction costs at THKD. The net current liabilities as at 30 June 2022 is mainly due to the reclassification of \$225 million 4.8% notes from non-current to current, which was due in July 2022 and had been fully redeemed on 18 July 2022.

Total equity of the Group was at \$608.3 million as at 30 June 2022 compared to \$566.0 million as at 30 June 2021. The increase was mainly due to net profit generated during the year, offset by the unrealised loss due to the translation reserve arising from the movement in foreign currency.

REVIEW OF STATEMENT OF CASH FLOWS

The Group recorded a net increase in cash and cash equivalents during FY2022 of \$39.9 million. The net increase was mainly due to the increase in net cash flows from operations of \$92.8 million and proceeds from interest-bearing loans and borrowings of \$23.5 million. The increase was partially offset by the cash flow used to purchase property and equipment amounting to \$27.8 million, payments of loan interests and lease liabilities amounting to \$28.6 million, repayment of interest-bearing loans and borrowings of \$13.3 million, and dividends paid to shareholders of the Company and non-controlling interests of subsidiaries of \$5.0 million.

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

No forecast was previously disclosed by the Group.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

In Singapore, the Group remained focused on the execution of its network expansion plan with the opening of new centres and clinics. During the year, we have expanded our Thomson Chinese Medicine services with the addition of a fourth clinic in Novena. With the transition to an endemic phase of Covid-19, we have seen an increasing trend of in-patient loads at our hospital. Our paediatric business has also ramped up in recent months to a healthy level. In addition, we continue to support the government in managing vaccination centres and TCFs.

Malaysia has reopened its international border on 1 April 2022. The Group expects recovery in the healthcare sector in Malaysia, especially in the fertility business. Meanwhile, the Group's expansion project at Thomson Hospital Kota Damansara ("THKD") has been completed and the Certificate of Completion and Compliance has been obtained. The hospital is opening the new wing in phases and had commenced operations in Q3 FY2022.

Barring a worsening of the COVID-19 pandemic and the imposition of additional public health measures or any other unforeseen circumstances, the Group expects its existing and new business lines to grow and is therefore cautiously optimistic of its business prospects in the current financial year.

5. Dividend Information

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.115 cent per ordinary share
Tax rate	Tax-exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.015 cent per ordinary share
Tax rate	Tax-exempt one-tier

(c) Date payable

The date of payment of the proposed Final Dividend, if approved by the shareholders of the Company at the forthcoming Annual General Meeting, will be announced at a later date.

(d) Book Closure Date

The books closure date will be announced at a later date.

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

6. Interested person transactions

The Company did not obtain a general mandate from shareholders for IPTs. The Company confirms that IPTs did not exceed \$100,000 during FY2022.

7. Update on use of exercise proceeds from Warrants Issue

The Company has utilised \$10 million of the proceeds from Warrants Issue towards repayment of bank borrowings. The use of proceeds is in accordance with the intended use as disclosed in the Company's Circular dated 28 February 2018. The Company will make further announcements when the remaining proceeds are materially disbursed.

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8. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Wee Kiat	29	Son of substantial shareholder, Mr Lim Eng Hock	<u>1 January 2022 to current</u> Position: Executive Director and Chief Executive Officer – Thomson X Pte. Ltd. Duties: To lead and drive new growth areas in healthtech solutions through synergistic partnership and investment opportunities for the Group.	Mr Lim Wee Kiat was re-designated from Non-Executive Director to Executive Director with effect from 1 January 2022.

10. Additional information required pursuant to Rule 706A

On 11 February 2022, Thomson X Pte. Ltd. (“Thomson X”), a wholly-owned subsidiary of the Group, has incorporated a joint venture company, Hatch Health Pte. Ltd., in which Thomson X owns an interest of 50%. The joint venture partner is a Singapore’s leading telehealth founder WhiteCoat. The principal activity of the joint venture company is to develop a mobile application that will offer seamless and personalised online-to-offline healthcare services to meet the health and wellness needs of women and children. It has an issued and paid-up share capital of US\$2.

None of the Directors and the controlling shareholders have any interest, direct or indirect, in the above matter. The incorporation of the joint venture company did not have any material impact on the earnings and the net tangible asset per share of the Company for the financial year ended 30 June 2022.

BY ORDER OF THE BOARD

Dr Wong Chiang Yin
Executive Director and Group Chief Executive Officer

29 August 2022