

THOMSON MEDICAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 199908381D)
(the "Company")

Unaudited Third Quarter Financial Statement Announcement For The Financial Period Ended 30 September 2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1 (a)(i) CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Group			Group		
	3rd quarter ended 30 September			9 months ended 30 September		
	2019	2018	Change	2019	2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Healthcare - Continuing operations						
Revenue	59,575	53,963	10	171,243	159,464	7
Other income	1,216	1,719	(29)	3,667	4,850	(24)
Inventories and consumables	(12,649)	(11,136)	14	(35,518)	(33,088)	7
Staff costs	(17,293)	(13,338)	30	(50,375)	(44,298)	14
Depreciation and amortisation	(4,595)	(2,984)	54	(13,036)	(8,624)	51
Other operating expenses	(17,497)	(16,061)	9	(48,200)	(49,155)	(2)
Results from operating activities	8,757	12,163	(28)	27,781	29,149	(5)
Finance income	847	743	14	2,220	2,253	(1)
Finance costs	(7,154)	(5,557)	29	(19,526)	(12,359)	58
Net finance costs	(6,307)	(4,814)	31	(17,306)	(10,106)	71
Profit before tax from continuing operations	2,450	7,349	(67)	10,475	19,043	(45)
Income tax expense	(2,342)	(983)	NM	(6,263)	(5,143)	22
Profit from continuing operations, net of tax	108	6,366	(98)	4,212	13,900	(70)
Real Estate - Discontinued operation						
Loss from discontinued operation, net of tax	-	(4,315)	NM	(2,260)	(5,535)	(59)
Profit for the period	108	2,051	(95)	1,952	8,365	(77)
Attributable to:						
Owners of the Company						
(Loss)/ profit from continuing operations, net of tax	(751)	5,065	NM	1,694	10,981	(85)
Loss from discontinued operation, net of tax	-	(3,923)	NM	(2,205)	(4,358)	(49)
Profit for the period attributable to owners of the Company	(751)	1,142	NM	(511)	6,623	NM
Non-controlling interests						
Profit from continuing operations, net of tax	859	1,301	(34)	2,518	2,919	(14)
Loss from discontinued operation, net of tax	-	(392)	NM	(55)	(1,177)	(95)
Profit for the period attributable to non-controlling interests	859	909	(6)	2,463	1,742	41
Healthcare - Continuing operations						
EBITDA	13,352	15,147	(12)	40,817	37,773	8

NM – Not meaningful

Notes:

The Company has changed its financial year end from 31 December to 30 June (please refer to announcement dated 27 September 2019). The financial period is now covering an 18 month period from 1 January 2019 to 30 June 2020.

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1 (a)(ii) OTHER INFORMATION - HEALTHCARE - CONTINUING OPERATIONS

	Group			Group		
	3rd quarter ended 30 September			9 months ended 30 September		
	2019 \$'000	2018 \$'000	Change %	2019 \$'000	2018 \$'000	Change %
Other expenses						
Rental expenses	(150)	(1,477)	(90)	(230)	(4,490)	(95)
Transaction costs on corporate exercise	-	-	NM	-	(1,001)	NM
Loss on disposal of property and equipment	(594)	(3)	NM	(610)	(126)	NM
Property and equipment written off	-	-	NM	(1)	(13)	(92)
(Allowance for)/ reversal of expected credit losses on trade debts, net	(103)	54	NM	(202)	71	NM
Foreign exchange gain/ (loss), net	6	(151)	NM	(8)	(100)	(92)
Income tax expenses						
(Under)/ over provision of prior year tax	(328)	4	NM	(293)	3	NM

1 (a)(iii) STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Group			Group		
	3rd quarter ended 30 September			9 months ended 30 September		
	2019 \$'000	2018 \$'000	Change %	2019 \$'000	2018 \$'000	Change %
Profit for the period	108	2,051	(95)	1,952	8,365	(77)
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	NM	62	(786)	NM
	-	-	NM	62	(786)	NM
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	5,555	(14,473)	NM	(346)	1,261	NM
	5,555	(14,473)	NM	(346)	1,261	NM
Other comprehensive income for the period, net of tax	5,555	(14,473)	NM	(284)	475	NM
Total comprehensive income for the period	5,663	(12,422)	NM	1,668	8,840	(81)
Attributable to:						
Owners of the Company	3,817	(10,611)	NM	(618)	6,872	NM
Non-controlling interests	1,846	(1,811)	NM	2,286	1,968	16
Total comprehensive income for the period	5,663	(12,422)	NM	1,668	8,840	(81)
Attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	3,817	(6,435)	NM	1,587	10,898	(85)
Total comprehensive income from discontinued operations, net of tax	-	(4,176)	NM	(2,205)	(4,026)	(45)
Total comprehensive income for the period attributable to owners of the Company	3,817	(10,611)	NM	(618)	6,872	NM

NM – Not meaningful

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30 Sep 2019	As at 31 Dec 2018	As at 30 Sep 2019	As at 31 Dec 2018
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property and equipment	371,231	345,784	300	399
Intangible assets	489,140	489,130	-	-
Investment property	150,661	150,606	-	-
Investment in subsidiaries	-	-	2,294,803	2,294,803
Right-of-use assets	24,278	-	449	-
	<u>1,035,310</u>	<u>985,520</u>	<u>2,295,552</u>	<u>2,295,202</u>
Current assets				
Development property	142,959	142,916	-	-
Inventories	5,607	5,540	-	-
Amounts due from subsidiaries (non-trade)	-	-	275,888	175,314
Trade and other receivables	26,144	22,939	384	529
Cash and short-term deposits	122,044	121,745	37,876	6,141
	<u>296,754</u>	<u>293,140</u>	<u>314,148</u>	<u>181,984</u>
Assets of disposal group classified as held for distribution	-	210,406	-	154,041
	<u>296,754</u>	<u>503,546</u>	<u>314,148</u>	<u>336,025</u>
TOTAL ASSETS	<u>1,332,064</u>	<u>1,489,066</u>	<u>2,609,700</u>	<u>2,631,227</u>
EQUITY AND LIABILITIES				
Current liabilities				
Contract liabilities	4,295	3,410	-	-
Trade and other payables	55,346	40,235	2,797	1,839
Amounts due to the ultimate controlling shareholder	4,811	9,811	4,811	9,811
Income tax payable	6,069	8,316	-	-
Interest-bearing loans and borrowings	12,630	236,636	5,000	129,569
Lease liabilities	6,004	-	245	-
	<u>89,155</u>	<u>298,408</u>	<u>12,853</u>	<u>141,219</u>
Liabilities directly associated with disposal group classified as held for distribution	-	57,603	-	-
	<u>89,155</u>	<u>356,011</u>	<u>12,853</u>	<u>141,219</u>
Net current assets	<u>207,599</u>	<u>147,535</u>	<u>301,295</u>	<u>194,806</u>
Non-current liabilities				
Deferred tax liabilities	7,011	6,960	-	-
Interest-bearing loans and borrowings	557,958	341,665	223,375	-
Lease liabilities	18,497	-	211	-
Provisions	574	297	-	-
	<u>584,040</u>	<u>348,922</u>	<u>223,586</u>	<u>-</u>
TOTAL LIABILITIES	<u>673,195</u>	<u>704,933</u>	<u>236,439</u>	<u>141,219</u>
NET ASSETS	<u>658,869</u>	<u>784,133</u>	<u>2,373,261</u>	<u>2,490,008</u>
Equity attributable to owners of the Company				
Share capital	2,364,497	2,772,209	2,364,497	2,772,209
Retained earnings/ (accumulated losses)	182,712	(97,499)	8,764	(282,201)
Other reserves	(1,965,124)	(1,959,396)	-	-
Reserve of disposal group classified as held for distribution	-	(1,276)	-	-
	<u>582,085</u>	<u>714,038</u>	<u>2,373,261</u>	<u>2,490,008</u>
Non-controlling interests	<u>76,784</u>	<u>70,095</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY	<u>658,869</u>	<u>784,133</u>	<u>2,373,261</u>	<u>2,490,008</u>
TOTAL EQUITY AND LIABILITIES	<u>1,332,064</u>	<u>1,489,066</u>	<u>2,609,700</u>	<u>2,631,227</u>

1(b) (ii) Aggregate amount of the group's borrowings and debt securities.Group

Amount repayable in one year or less, or on demand:

	As at 30 September 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loans	12,525	-	236,628	-
Obligations under finance lease	105	-	8	-

Amount repayable after one year:

	As at 30 September 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loans	334,583	-	341,664	-
Medium Term Notes	-	223,375	-	-
Obligations under finance lease	-	-	1	-

Medium Term Notes ("MTN")

On 18 July 2019, the Company issued S\$225 million 4.8 percent fixed rate notes due 2022 ("Notes") under the S\$500 million Multicurrency Debt Issuance Programme that was established on 28 June 2019.

The net proceeds arising from the issuance of the Notes (after deducting issue expenses) were used to refinance the Group's existing borrowings.

Details of Collateral

The Notes are secured by a charge over an interest service reserve account in which the Company maintains an interest reserve amount equivalent to six months' interest on the Notes.

The bank loans are secured by a charge over certain shares and assets of the subsidiaries and corporate guarantees provided by the Company and a subsidiary of the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3rd quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before tax from continued operations	2,450	7,349	10,475	19,043
Loss before tax from discontinued operation	-	(4,332)	(2,225)	(5,224)
Profit before tax, total	2,450	3,017	8,250	13,819
<u>Adjustments for:</u>				
Allowance for expected credit losses on trade debts, net	103	1,569	202	1,793
Amortisation of intangible assets	165	768	416	2,389
Amortisation of upfront fees	298	186	976	364
Bad debts written off	46	42	50	44
Depreciation of property and equipment and right-of-use assets	4,430	3,596	12,948	10,698
Finance costs	6,856	5,420	18,550	12,247
Fair value changes on purchase consideration	-	(172)	25	(3,378)
Loss on disposal of other investments	-	-	-	144
Gain on disposal of a subsidiary	-	(2,088)	-	(2,088)
Interest income	(847)	(775)	(2,220)	(2,299)
Loss on disposal of property and equipment	594	3	610	126
Property and equipment written off	-	-	-	13
(Reversal of)/ provision for allowance for foreseeable losses	-	(371)	-	394
Share of results of associates	-	(50)	86	(730)
Transaction costs on corporate exercise	-	(8)	-	993
Employee share-based expenses	35	48	127	172
Unrealised (gain)/ loss on foreign exchange	(117)	86	(92)	6
Operating cash flows before changes in working capital	14,013	11,271	39,928	34,707
<u>Changes in working capital:</u>				
Inventories	(199)	166	(74)	(108)
Trade and other receivables and contract assets	(3,347)	(3,600)	707	(2,030)
Trade and other payables and contract liabilities	14,048	2,241	14,571	(817)
Cash flows from operations	24,515	10,078	55,132	31,752
Interest received	847	768	2,220	2,454
Tax paid	(1,228)	(431)	(8,945)	(7,410)
Net cash flows from operating activities	24,134	10,415	48,407	26,796
Investing activities				
Acquisition of warrants	-	-	-	(25,000)
Additions to other investments	-	-	-	(405)
Additions to intangible assets	(234)	(328)	(293)	(876)
Additions to property and equipment	(14,415)	(6,782)	(34,022)	(18,831)
Dividend received from associate	-	-	-	1,549
Expenditure on investment property	-	(16)	(9)	(40)
Net cash inflow/ (outflow) on disposal of discontinued operation	-	3,227	(24,101)	3,227
Payments made for acquisition expenses arising from acquisition of the Healthcare Business	-	(295)	-	(1,525)
Proceeds from disposal of other investments	-	-	-	275
Proceeds from disposal of property and equipment	-	-	2	9
Repayment of purchase consideration	-	(380)	-	(380)
Net cash flows used in investing activities	(14,649)	(4,574)	(58,423)	(41,997)
Financing activities				
Changes in pledged deposits	(2,423)	(79)	(2,302)	(1,218)
Dividends paid on ordinary shares	-	-	(6,610)	-
Dividends paid to non-controlling interests of subsidiaries	(278)	-	(771)	(471)
Expenses arising from issuance of ordinary shares	-	-	-	(160)
Interest paid	(6,577)	(7,969)	(17,863)	(13,726)
Payment of lease liabilities	(1,910)	-	(5,476)	-
Proceeds from exercise of employee share options	-	-	-	29
Proceeds from interest-bearing loans and borrowings, net of transaction costs	223,375	-	223,494	489,636
Proceeds from exercise of warrants	-	3	29,455	95
Proceeds from exercise of warrants issued by a subsidiary	-	-	1,331	-
Repayment of interest-bearing loans and borrowings	(224,669)	(3,025)	(232,182)	(103,085)
Repayment of shareholder loan	-	-	(5,000)	(355,250)
Net cash flows (used in)/ generated from financing activities	(12,482)	(11,070)	(15,924)	15,850
Net (decrease)/ increase in cash and cash equivalents	(2,997)	(5,229)	(25,940)	649
Cash and cash equivalents at beginning of the period	114,870	143,458	138,910	135,541
Effect of exchange rate changes on cash and cash equivalents	1,289	(2,003)	192	36
Cash and cash equivalents at end of period	113,162	136,226	113,162	136,226

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3rd quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Note:				
<u>Continuing operations</u>				
Cash on hand and at banks	49,070	38,309	49,070	38,309
Short-term deposits	72,974	82,479	72,974	82,479
Cash and cash equivalents from continuing operations	122,044	120,788	122,044	120,788
<u>Discontinued operation</u>				
Cash on hand and at banks	-	18,170	-	18,170
Short-term deposits	-	3,936	-	3,936
Cash and cash equivalents from discontinued operation	-	22,106	-	22,106
Total cash and short-term deposits	122,044	142,894	122,044	142,894
Less: Pledged deposits	(8,882)	(6,668)	(8,882)	(6,668)
Cash and cash equivalents at end of period	113,162	136,226	113,162	136,226

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to owners of the Company													
	Share capital	(Accumulated losses)/ retained earnings	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for distribution	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019	2,772,209	(97,499)	(1,842,369)	(85,867)	-	15,426	-	-	(46,586)	(1,959,396)	(1,276)	714,038	70,095	784,133
Profit for the period	-	240	-	-	-	-	-	-	-	-	-	240	1,604	1,844
Other comprehensive income														
Foreign currency translation	-	-	-	(4,737)	-	-	-	-	-	(4,737)	-	(4,737)	(1,164)	(5,901)
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	62	-	-	62	-	62	-	62
Other comprehensive income for the period, net of tax	-	-	-	(4,737)	-	-	62	-	-	(4,675)	-	(4,675)	(1,164)	(5,839)
Total comprehensive income for the period	-	240	-	(4,737)	-	-	62	-	-	(4,675)	-	(4,435)	440	(3,995)
Contributions by and distributions to owners														
Shares issued on conversion of warrants	29,455	-	-	-	-	-	-	-	-	-	-	29,455	-	29,455
Non-cash distribution to owners of the Company (Note A)	(155,973)	(9,288)	-	10,089	-	-	-	-	-	10,089	1,534	(153,638)	3,163	(150,475)
Capital reduction (Note A)	(281,194)	281,194	-	-	-	-	-	-	-	-	-	-	-	-
Grant of equity-settled share options to employees	-	-	-	-	-	-	-	-	-	-	-	-	92	92
Exercise of employee share options	-	-	-	-	-	-	-	-	-	-	-	-	1,331	1,331
Dividends on ordinary shares	-	(6,610)	-	-	-	-	-	-	-	-	-	(6,610)	-	(6,610)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(493)	(493)
Total contributions by and distributions to owners	(407,712)	265,296	-	10,089	-	-	-	-	-	10,089	1,534	(130,793)	4,093	(126,700)
Total transactions with owners, recorded directly in equity	(407,712)	265,296	-	10,089	-	-	-	-	-	10,089	1,534	(130,793)	4,093	(126,700)
Changes in ownership interests in subsidiaries														
Dilution of equity interests in a subsidiary due to the conversion of warrants	-	-	-	-	-	-	-	-	(542)	(542)	-	(542)	542	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(542)	(542)	-	(542)	542	-
Others														
Reserve attributable to disposal group classified as held for distribution	-	-	-	320	-	-	(62)	-	-	258	(258)	-	-	-
Expiry of warrants issued by a subsidiary	-	15,426	-	-	-	(15,426)	-	-	-	(15,426)	-	-	-	-
Total others	-	15,426	-	320	-	(15,426)	(62)	-	-	(15,168)	(258)	-	-	-
At 30 June 2019	2,364,497	183,463	(1,842,369)	(80,195)	-	-	-	-	(47,128)	(1,969,692)	-	578,268	75,170	653,438

Note A: On 31 January 2019, the Company completed the distribution of all its shares in its Real Estate Business held by RSP Holdings Pte Ltd by way of capital reduction amounting to \$156.0 million. On the same date, the Company also completed its further capital reduction to write-off the accumulated losses of the Company amounting to \$281.2 million.

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to owners of the Company													
	Share capital	(Accumulated losses)/ retained earnings	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for distribution	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2019	2,364,497	183,463	(1,842,369)	(80,195)	-	-	-	-	(47,128)	(1,969,692)	-	578,268	75,170	653,438
(Loss)/ profit for the period	-	(751)	-	-	-	-	-	-	-	-	-	(751)	859	108
Other comprehensive income														
Foreign currency translation	-	-	-	4,568	-	-	-	-	-	4,568	-	4,568	987	5,555
Other comprehensive income for the period, net of tax	-	-	-	4,568	-	-	-	-	-	4,568	-	4,568	987	5,555
Total comprehensive income for the period	-	(751)	-	4,568	-	-	-	-	-	4,568	-	3,817	1,846	5,663
Contributions by and distributions to owners														
Grant of equity-settled share options to employees	-	-	-	-	-	-	-	-	-	-	-	-	35	35
Conversion of warrants in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	13	13
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(280)	(280)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	(232)	(232)
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(232)	(232)
At 30 September 2019	2,364,497	182,712	(1,842,369)	(75,627)	-	-	-	-	(47,128)	(1,965,124)	-	582,085	76,784	658,869

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

Attributable to owners of the Company														
	Share capital	(Accumulated losses)/ retained earnings	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for distribution	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018 (previously reported)	788,267	(185,197)	100	(86,390)	89,462	15,426	405	197	2,791	21,991	-	625,061	115,627	740,688
Effects of adoption of SFRS(I)	-	85,537	-	-	(89,462)	-	-	-	-	(89,462)	-	(3,925)	-	(3,925)
At 1 January 2018 (restated)	788,267	(99,660)	100	(86,390)	-	15,426	405	197	2,791	(67,471)	-	621,136	115,627	736,763
Profit for the period	-	5,481	-	-	-	-	-	-	-	-	-	5,481	833	6,314
Other comprehensive income														
Foreign currency translation	-	-	-	12,788	-	-	-	-	-	12,788	-	12,788	2,946	15,734
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(786)	-	-	(786)	-	(786)	-	(786)
Other comprehensive income for the period, net of tax	-	-	-	12,788	-	-	(786)	-	-	12,002	-	12,002	2,946	14,948
Total comprehensive income for the period	-	5,481	-	12,788	-	-	(786)	-	-	12,002	-	17,483	3,779	21,262
Contributions by and distributions to owners														
Shares issued for acquisition of a subsidiary	1,984,000	-	-	-	-	-	-	-	-	-	-	1,984,000	-	1,984,000
Shares issued on conversion of warrants	92	-	-	-	-	-	-	-	-	-	-	92	-	92
Share issuance expenses	(160)	-	-	-	-	-	-	-	-	-	-	(160)	-	(160)
Grant of equity-settled share options to employees	-	-	-	-	-	-	-	-	-	-	-	-	124	124
Exercise of employee share options in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	29	29
Acquisition of subsidiary under common control	-	-	(1,842,469)	-	-	-	-	-	-	(1,842,469)	-	(1,842,469)	-	(1,842,469)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(471)	(471)
Total contributions by and distributions to owners	1,983,932	-	(1,842,469)	-	-	-	-	-	-	(1,842,469)	-	141,463	(318)	141,145
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	(49,377)	(49,377)	-	(49,377)	(44,824)	(94,201)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(49,377)	(49,377)	-	(49,377)	(44,824)	(94,201)
Total transactions with owners, recorded directly in equity	1,983,932	-	(1,842,469)	-	-	-	-	-	(49,377)	(1,891,846)	-	92,086	(45,142)	46,944
Others														
Reserve attributable to disposal group classified as held for distribution	-	-	-	1,396	-	-	-	(197)	-	1,199	(1,199)	-	-	-
Total others	-	-	-	1,396	-	-	-	(197)	-	1,199	(1,199)	-	-	-
At 30 June 2018	2,772,199	(94,179)	(1,842,369)	(72,206)	-	15,426	(381)	-	(46,586)	(1,946,116)	(1,199)	730,705	74,264	804,969

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to owners of the Company													
	Share capital	(Accumulated losses)/ retained earnings	Merger reserve	Foreign currency translation reserve	Assets revaluation reserve	Warrant reserve	Fair value reserve	Statutory reserve	Capital reserve	Total Other reserves	Reserve of disposal group classified as held for distribution	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2018	2,772,199	(94,179)	(1,842,369)	(72,206)	-	15,426	(381)	-	(46,586)	(1,946,116)	(1,199)	730,705	74,264	804,969
Profit for the period	-	1,142	-	-	-	-	-	-	-	-	-	1,142	909	2,051
Other comprehensive income														
Foreign currency translation	-	-	-	(11,753)	-	-	-	-	-	(11,753)	-	(11,753)	(2,720)	(14,473)
Other comprehensive income for the period, net of tax	-	-	-	(11,753)	-	-	-	-	-	(11,753)	-	(11,753)	(2,720)	(14,473)
Total comprehensive income for the period	-	1,142	-	(11,753)	-	-	-	-	-	(11,753)	-	(10,611)	(1,811)	(12,422)
Contributions by and distributions to owners														
Shares issued for acquisition of a subsidiary	3	-	-	-	-	-	-	-	-	-	-	3	-	3
Grant of equity-settled share options to employees	-	-	-	-	-	-	-	-	-	-	-	-	48	48
Total contributions by and distributions to owners	3	-	-	-	-	-	-	-	-	-	-	3	48	51
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity	3	-	-	-	-	-	-	-	-	-	-	3	48	51
Others														
Reserve attributable to disposal group classified as held for distribution	-	-	-	251	-	-	-	-	-	251	(251)	-	-	-
Total others	-	-	-	251	-	-	-	-	-	251	(251)	-	-	-
At 30 September 2018	2,772,202	(93,037)	(1,842,369)	(83,708)	-	15,426	(381)	-	(46,586)	(1,957,618)	(1,450)	720,097	72,501	792,598

STATEMENT OF CHANGES IN EQUITY

Company

	Share capital	(Accumulated losses)/ retained earnings	Total equity
	\$'000	\$'000	\$'000
At 1 January 2019	2,772,209	(282,201)	2,490,008
Profit for the period, representing total comprehensive income for the period	-	13,392	13,392
<u>Contributions by and distributions to owners</u>			
Shares issued on conversion of warrants	29,455	-	29,455
Non-cash distribution to owners of the Company	(155,973)	(740)	(156,713)
Capital reduction	(281,194)	281,194	-
Dividends on ordinary shares	-	(6,610)	(6,610)
Total contributions by and distributions to owners	(407,712)	273,844	(133,868)
At 30 June and 1 July 2019	2,364,497	5,035	2,369,532
Profit for the period, representing total comprehensive income for the period	-	3,729	3,729
At 30 September 2019	2,364,497	8,764	2,373,261
At 1 January 2018	788,267	(419,572)	368,695
Loss for the period, representing total comprehensive income for the period	-	(5,325)	(5,325)
<u>Contributions by and distributions to owners</u>			
Shares issued for acquisition of a subsidiary	1,984,000	-	1,984,000
Shares issued on conversion of warrants	92	-	92
Share issuance expenses	(160)	-	(160)
Gain from novation of shareholder's loans	-	176,341	176,341
Total contributions by and distributions to owners	1,983,932	176,341	2,160,273
At 30 June and 1 July 2018	2,772,199	(248,556)	2,523,643
Loss for the period, representing total comprehensive income for the period	-	(32,638)	(32,638)
<u>Contributions by and distributions to owners</u>			
Shares issued on conversion of warrants	3	-	3
Total contributions by and distributions to owners	3	-	3
At 30 September 2018	2,772,202	(281,194)	2,491,008

- 1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issues, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	30 September 2019		30 September 2018	
	No. of issued shares	Amount \$'000	No. of issued shares	Amount \$'000
Balance as at 1 Jul	26,441,016,807	2,364,497	26,072,770,745	2,772,199
Conversion of warrants	-	-	30,000	3
Balance as at 30 Sep	26,441,016,807	2,364,497	26,072,800,745	2,772,202

- 1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at end of the immediately preceding year.**

	As at 30 Sep 2019	As at 31 Dec 2018
Number of issued shares	26,441,016,807	26,072,880,745
Number of treasury shares	Nil	Nil

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

There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There was no sale, transfer, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

- 2. Where the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.

Accounting policies and methods of computation used in the consolidated financial statements for the third quarter ended 30 September 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018, except for the adoption of new accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2019 as disclosed in item 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 adoption of new and revised accounting standards does not have any substantial effect on the financial results and position of the Group except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16 Leases which took effect on 1 January 2019, using the modified retrospective approach. In compliance with SFRS(I) 16 Leases, the Group has applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

6. Earnings per ordinary share ("EPS") of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-

EPS based on net profit attributable to shareholders of the Company (cents):				
	3rd quarter ended 30 September		9 months ended 30 September	
	2019	2018	2019	2018
(a) Basic*	(0.003)	0.004	(0.002)	0.025
(b) Diluted**	(0.003)	0.004	(0.002)	0.025
<u>Continuing operations</u>				
(a) Basic*	(0.003)	0.019	0.006	0.042
(b) Diluted**	(0.003)	0.019	0.006	0.042
Weighted average number of ordinary shares on issue as at the end of the period	26,441,016,807	26,072,797,484	26,322,766,361	26,072,290,305
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	26,441,016,807	26,072,797,484	26,322,766,361	26,494,758,475

* Based on weighted average number of fully paid shares in issue

** The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	As at	
	30 Sep 2019	31 Dec 2018
Net asset value per ordinary share of		
Group (cents)	2.21	2.74
Company (cents)	9.02	9.55

8. 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.

REVIEW OF THE GROUP'S PERFORMANCE

3Q2019 compared with 3Q2018

Continuing operations

The Group recorded an increase in revenue of 10.4% or \$5.6 million from \$54.0 million in 3Q2018 to \$59.6 million in 3Q2019. The increase was attributable mainly to higher overall patient load, increase in average bill sizes and greater revenue intensity. The Group's EBITDA decreased by 11.9% from \$15.1 million to \$13.4 million during the quarter mainly due to higher operating costs owing to cost inflation in goods, services and wages which were partially offset by lower rental expenses as a result of adoption of SFRS(I) 16. Excluding the effect from the adoption of SFRS(I) 16, the Group's adjusted EBITDA decreased by 25.0%. Operating profits decreased 28.0% from \$12.2 million in 3Q2018 to \$8.8 million in 3Q2019, due to a combination of higher operating expenses and costs associated with the opening of the multi-specialty medical centre at Paragon Medical Centre and costs related to the new clinics.

Likewise, the increase in depreciation and amortisation expenses of approximately \$1.6 million in 3Q2019 was mainly due to adoption of SFRS(I) 16. Excluding the depreciation for right-of-use assets arising from the adoption of SFRS(I) 16, total depreciation and amortisation expenses decreased by approximately \$0.1 million in 3Q2019.

Staff costs increased by 29.7% or \$4.0 million mainly due to increase in headcount and wage inflation.

Net finance costs were higher by \$1.5 million mainly due to higher interest rates and recognition of lease-related interest expenses attributed to the lease liabilities on the balance sheet.

Income tax expense was higher mainly due to lower investment tax allowance claimed.

As a result of the above, the Group recorded a lower net profit after tax of \$0.1 million in 3Q2019.

Discontinued operation

The Real Estate business has been spun off via a distribution *in specie* by way of capital reduction in 1Q2019.

9M2019 compared with 9M2018

Continuing operations

Revenue for 9M2019 increased by 7.4% or \$11.7 million from \$159.5 million in 9M2018 to \$171.2 million. The increase was mainly due to higher overall patient load, increased average bill sizes and greater revenue intensity. The Group's EBITDA increased by 8.1% from \$37.8 million to \$40.8 million during the period mainly due to lower rental expenses as a result of adoption of SFRS(I) 16. Excluding the effect from the adoption of SFRS (I) 16, the Group's adjusted EBITDA decreased by 8.5% mainly due to higher operating costs which arose from cost inflation in goods, services and wages. Operating profits decreased 4.7% from \$29.1 million in 9M2018 to \$27.8 million in 9M2019, due to a combination of higher operating expenses and costs associated with the opening of the multi-specialty medical centre at Paragon Medical Centre and costs related to the new clinics.

Likewise, the increase in depreciation and amortisation expenses of approximately \$4.4 million in 9M2019 was mainly due to the adoption of SFRS(I) 16. Excluding the depreciation for right-of-use assets arising from the adoption of SFRS(I) 16, total depreciation and amortisation expenses decreased by approximately \$0.5 million for 9M2019.

Staff costs increased by 13.7% or \$6.1 million mainly due to increase in headcounts and wage inflation.

Net finance costs were higher by \$7.2 million mainly due to the full period impact from the bank borrowings taken for the acquisition of the healthcare businesses, higher interest rates and recognition of lease-related interest expenses attributed to the lease liabilities on the balance sheet.

Income tax expense was higher mainly due to lower investment tax allowance claimed.

The Group recorded a lower net profit after tax of \$4.2 million in 9M2019. The decrease was mainly due to the reasons as described above.

Discontinued operation

The Real Estate business has been spun off via a distribution *in specie* by way of capital reduction in 1Q2019. Net loss from the Real Estate business up till the date of distribution was \$2.3 million. The losses were due to operating loss and net unrealised foreign exchange loss of \$1.0 million arising from exchange rate movement between Sterling Pound and Singapore dollars.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Total assets of the Group were \$157.0 million lower as at 30 September 2019 compared to 31 December 2018 mainly due to the distribution of the Real Estate Business assets which was partially offset by the addition of property and equipment and the recognition of right-of-use assets as a result of adoption of SFRS(I) 16.

Total liabilities were \$31.7 million lower as at 30 September 2019 compared to 31 December 2018, due mainly to the derecognition of liabilities following the completion of the distribution of the Real Estate Business and repayments of shareholder loan, partially offset by the recognition of lease liabilities as a result of adoption of SFRS(I) 16.

The share capital of the Company was \$2.4 billion as at 30 September 2019 compared to \$2.8 billion as at 31 December 2018. The decrease was mainly due to the completion of the distribution in specie of the Real Estate business by way of capital reduction amounting to \$156.0 million and further capital reduction to write-off the accumulated losses of the Company amounting to \$281.2 million. The decrease was offset by the increase in the new shares issued amounting to \$29.5 million arising from conversion of warrants which expired on 24 April 2019.

REVIEW OF STATEMENT OF CASH FLOWS

3Q2019

The Group recorded a net decrease in cash and cash equivalents during the quarter ended 30 September 2019 of \$3.0 million. The net decrease was mainly due to net cash outflow used in investing activities of \$14.6 million for property and equipment additions and net cash outflows used in financing activities of \$12.5 million for loan repayments amounted to \$224.7 million which was financed by the net proceeds from the MTN of \$223.4 million and interest paid of \$6.6 million.

The net decrease was offset by the net cash flows from operating activities of \$24.1 million which resulted from cash generated from operating activities, interest income received and net working capital inflows, offset by net income tax paid.

9M2019

The Group recorded a net decrease in cash and cash equivalents during the period ended 30 September 2019 of \$25.9 million. The net decrease was mainly due to (a) net cash outflow used in investing activities of \$58.4 million for property and equipment addition and net cash outflow arising from the divestment of the Real Estate business and (b) net cash outflows used in financing activities of \$15.9 million for loan repayments amounted to \$232.2 million which was financed by the net proceeds from the MTN of \$223.4 million, interest paid of \$17.9 million, offset by the proceeds from exercise of warrants in the holding company and the subsidiary.

The net decrease was offset by the net cash flows from operating activities of \$48.4 million which was resulted from cash generated from operating activities, interest income received and net working capital inflows, offset by net income tax paid.

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

Not applicable.

10. 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 reporting period and the next 12 months.

The Group continues to grow its operations and expand its core specialities in women and children's health, fertility, oncology and preventive healthcare and wellness. In Singapore, Thomson Breast Centre and Thomson Surgical Centre have both commenced operations at Thomson Medical Centre, deepening the hospital's service offerings in women's health. The fertility centre at Paragon is expected to commence operation by first quarter of 2020.

In Malaysia, expansion works of the new wing with additional capacity for 400 beds at Thomson Hospital Kota Damansara is progressing well. With the Malaysian government's recent confirmation to proceed with the development of the Johor Bahru – Singapore Rail Transit System ("RTS") project, the Group remains committed to the development of Thomson Iskandar Medical Hub and endeavours to complete the construction works within 12 to 24 months after the Bukit Chagar RTS station is fully operational.

Based on the current economic outlook and barring any unforeseen circumstances, the Directors expect the Group to remain profitable for the financial year.

- 11. Dividend.**
- (a) Current Financial Period Reported On**
Any dividend declared for the current financial period reported on?
No.
- (b) Corresponding Period of the immediately Preceding Financial Year**
Any dividend declared for the corresponding period of the immediately preceding financial year?
No.
- (c) Date payable**
Not applicable.
- (d) Books closure date**
Not applicable.

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

No dividend has been declared or recommended for the third quarter ended 30 September 2019 as the Company will only consider declaring a final dividend after the end of each financial year.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not obtain a general mandate from shareholders for IPTs.

14. Update on use of exercise proceeds from Warrants Issue.

The proceeds from the Bonus Warrants have not been utilised as of 30 September 2019. The Company will make periodic announcements on the material disbursement of any proceeds arising from the exercise of the Bonus Warrants as and when such proceeds are materially disbursed.

15. Negative Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the unaudited interim financial results for the period ended 30 September 2019 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in appendix 7.7) under Rule 720(1).

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.

BY ORDER OF THE BOARD

Wilson Sam
Executive Director and Chief Financial Officer

12 November 2019